MR. JUSTICE BLACK'S FIRST YEAR—ARTICLE BY DR. WALTON HAMILTON

[Mr. LA FOLLETTE asked and obtained leave to have printed in the RECORD an article from the New Republic of June 8, 1938, by Dr. Walton Hamilton, entitled "Mr. Justice Black's First Year," which will appear hereafter in the Appendix.]

VICTOR CHRISTGAU, W. P. A. ADMINISTRATOR

[Mr. WHEELER asked and obtained leave to have printed in the RECORD an editorial recently published in the St. Paul Pioneer Press entitled "Keeping Minnesota Dizzy," which appears in the Appendix.]

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF A COMMITTEE

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of several postmasters.

The PRESIDENT pro tempore. The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the clerk will state the nominations on the calendar.

UNITED STATES PUBLIC HEALTH SERVICE

The legislative clerk proceeded to read sundry nominations in the Public Health Service.

Mr. BARKLEY. I ask that the nominations in the Public Health Service be confirmed en bloc.

The PRESIDENT pro tempore. Without objection, the nominations in the Public Health Service are confirmed en bloc.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. BARKLEY. I ask that the nominations of postmasters be confirmed en bloc.

The PRESIDENT pro tempore. Without objection, the nominations of postmasters are confirmed en bloc.

IN THE ARMY

The legislative clerk proceeded to read sundry nominations in the Army.

Mr. SHEPPARD. I ask that the nominations in the Army be confirmed en bloc.

The PRESIDENT pro tempore. Without objection, the nominations in the Army are confirmed en bloc.

That completes the calendar.

ADJOURNMENT TO TUESDAY

The Senate resumed legislative session.

Mr. BARKLEY. I move that the Senate adjourn until 12 o'clock noon on Tuesday next.

The motion was agreed to; and (at 11 o'clock and 56 minutes p. m.) the Senate adjourned until Tuesday, June 7, 1938, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 3 (legislative day of April 20), 1938

UNITED STATES PUBLIC HEALTH SERVICE

Charles L. Williams to be medical director.

TO BE ASSISTANT SURGEONS

Francis J. Weber	Glenn S. Usher
Thomas R. Dawber	Charles C. Smith
Thomas H. Diseker	William N. Donovan
Theodore F. Hilbish	Wendell A. Preston
Robert D. Duncan	Murda E. Street, Jr.
Michael L. Furcolow	Edgar B. Johnwick
James Watt	James V. Lowry
George E. Tooley, Jr.	Louis F. Cleary
Robert L. Zobel	James E. Hemphill
Thomas F. Crahan	Joseph S. Cope
Raymond F. Kaiser	

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY

Second Lt. Carl Baehr, Jr., to Field Artillery.

Second Lt. Laurence John Ellert to Coast Artillery Corps.

POSTMASTERS

NEW YORK

John V. Kellogg, Interlaken.

Oliver C. Cone, Waterloo.

TENNESSEE

Guy W. Mobley, Bells.

HOUSE OF REPRESENTATIVES

FRIDAY, JUNE 3, 1938

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Father, whose spirit pervades all space and the light of the world, may we draw near Thee in spirit and in truth. We are weak, Thou art mighty, our knowledge is limited; Thou knowest all things. We pray Thee to clothe us with Thy wisdom and direct our understanding aright. Reveal unto us the hidings of Thy power that we may be strong in will, of equal temper, and of courageous spirits. Do Thou quell the tumult that sometimes surges within us and threatens the citadel of the soul. May we with patience and calmness meet all problems under the sublime inspiration of the teaching of our Master. Breathe upon us, O breath of God. May we listen to the beating of our own hearts and hear Thee saying, "I will go with you all the way." We praise Thee that we have many comforts and experiences of joy; we would not ignore these blessings. Let Thy will be done in all hearts. In the name of our Lord and Savior. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10291) entitled "An act making appropriations for the fiscal year ending June 30, 1939, for civil functions administered by the War Department, and for other purposes."

The message also announced that the Senate agrees to the amendments of the House to the amendments of the Senate Nos. 15, 20, 21, 22, and 23 to the foregoing bill.

ADDITIONAL TAX ON WHISKY

Mr. THOMPSON of Illinois, from the Committee on Ways and Means, reported the joint resolution (H. J. Res. 683) to provide for an additional tax on whisky, which was read a first and second time, and, with the accompanying papers, referred to the Committee of the Whole House on the state of the Union and ordered printed.

NAVAL OIL RESERVES

Mr. PHILLIPS. Mr. Speaker, I ask unanimous consent to address the House on a very important matter for 3 minutes.

The SPEAKER. The Chair will recognize the gentleman to ask unanimous consent to address the House for 1 minute under the usual practice. Is there objection to the request of the gentleman from Connecticut to address the House for 1 minute?

There was no objection.

Mr. PHILLIPS. Mr. Speaker, I wish I had more time. I wish to call your attention to a Senate bill (S. 1131) to amend the part of the act entitled "An act making appropriations for the naval service for the fiscal year ending June 30, 1921, and for other purposes," approved June 4, 1920, relating to the

conservation, care, custody, protection, and operation of the naval petroleum and oil-shale reserves, and a companion bill (H. R. 3603), which, in plain English, would give validating title to private interests to that part of our naval oil reserves marked in pink shading on this map which refers to so-called Navy petroleum reserves No. 1 and No. 2, Kern County, Calif. I also call your attention to the blue-shaded sections on this map I hold. The leases in these blue shadings were made by Mr. Albert B. Fall and, as far as I can find out, with one so-called lessee exception, no attempt has been made legally to get them back for the United States Government despite Mr. Fall's record in oil-lease cases.

These bills would also take from the authority of the President certain control over oil royalties and leases.

I have introduced a resolution (H. Res. 516) giving the Speaker power to appoint a select committee to examine into these leases, worth millions, if not billions, of dollars, of oil lands which have been leased away to private interests against the interests of the people of the United States by the well-known Mr. Fall.

As far as I can find out, and I have been working on this from time to time for a year, no legal effort, I repeat, has been made to get these lands back for the United States Government, with one exception, as stated. Also I want to warn the Members of the House against Senate bill 1131 and against House bill 3603, which would give validating title to the lands represented in these pink sections which the Standard Oil Co. of California claims, despite the fact that when those lands left the United States it was specifically stated that they should not contain oil.

Also, I point out to you that these leases, so-called, drain oil away from our Navy ground reserves and make the name "reserve" a joke and a farce. The various bills affecting these matters have been referred to the Naval Affairs Committee.

In connection with this subject, the naval oil reserves, as mentioned, I now add a copy of a letter I wrote the President on this matter, this letter being sent to him Friday, June 3, 1938. The letter follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., June 3, 1938.

Hon. FRANKLIN D. ROOSEVELT,
President of the United States,
The White House, Washington, D. C.

MY DEAR MR. PRESIDENT: I write you about a matter I consider to be a very grave one, and it directly affects you because your name has been used in connection therewith. The "matter" is as follows: I refer specifically to S. 1131. This bill somehow, and in such manner as I am endeavoring to determine, got into the Senate and was passed by the Senate—apparently without due consideration. This bill came to the Naval Affairs Committee of the House, of which I am a member, about a year ago and was presented to us as a very plausible proposition, the object of which was ostensibly to exchange certain Government-owned naval oil reserve sections laid out in checkerboardlike fashion on the map of United States naval oil reserve No. 1 in Kern County, Calif., for certain internal sections within the "checkerboard" alleged to be owned by private interests, thus keeping private interests from drilling away and draining off oil from the center of our naval reserves in this location.

The report accompanying this bill, this report dated January 19, 1937, and signed by the Honorable Claude A. Swanson, states, "The proposed legislation is in accord with the program of the President." Thus, as stated, your name has been drawn into this matter. If the information which I now have can be substantiated, I feel that you would not want your name used in an endorsement on this bill.

I feel that undoubtedly honest people in the Navy Department have been hoodwinked and have had the "wool pulled over their eyes," to use that old expression, in connection with this matter and this bill. Moreover, I feel that there may be other people in the Navy Department who are, for reasons best known to themselves, endeavoring to have this bill passed, with, I believe, questionable intent. As regards who these people are, if this particular shoe fits any of them, let them put it on.

When this bill was before the Naval Affairs Committee about a year ago I asked Admiral Rowcliff, then Judge Advocate General of the Navy, if the Navy Department had consulted the Attorney General or his office as to whether or not this bill was satisfactory and as to whether or not the United States was sacrificing any of its rights in passing this bill. Under questioning from me the answer came that neither the Attorney General nor his office had been consulted. I personally talked with the Attorney General on this matter, and I found that he had not been consulted. This despite the fact that millions of dollars are involved.

Briefly, this bill would not only accomplish the ostensible purpose which appears on its face but would also do the following: Give further legal approval to the possessions of oil lands which were obtained by the Southern Pacific Railroad, initially, from the United States Government in a way which was illegal, but also in a way which still leaves a loophole to the United States for the possibility of further legal action. Unfortunately, however, at this late date the probability of the United States repossessing these lands or obtaining damages, is not very great, despite the fact that when these lands were granted away by the United States Government, it was with the distinct proviso and understanding that these lands should not contain any minerals of any kind, including oil. However, this bill should not be passed further substantiating title away from the United States Government until this legal action is taken.

This bill raises another question, viz: Naval oil "reserve" No. 2 immediately adjoins naval oil "reserve" No. 1. Both of these are tragic misnomers because naval oil "reserve" No. 2 is apparently completely out of the possession of the United States today, as an oil "reserve." Referring, as stated, to oil reserve No. 2 in checkerboardlike fashion, the so-called Southern Pacific Railroad properties alternate with various other so-called "leased" properties of the United States Government. No disposition is being made to retain oil in the ground here. It is all going out under "lease" and away from the United States Government. I understand that certain people in the Navy Department are endeavoring to extenuate this somewhat by saying that if the United States Government were to enter new leases on some of these lands today, we would not get such good prices. However, we are not supposed to be selling oil at all from these properties. The oil is supposed to be a "reserve" in the ground. These properties are supposed to be "naval oil reserves." The second question which this bill raises is a question concerning the so-called leases on this second oil reserve, so-called, No. 2. These leases were made by or under the administration of the well-known Mr. Albert B. Fall. Under questioning from myself, various Navy Department people admitted before the Naval Affairs Committee that even though the activities of Mr. Fall were found to be nefarious no legal effort had been made to upset these particular leases. These leases stand in the name of the following companies: Honolulu (several leases), Murvale, Union, North American, United (oil companies). I might add that these various companies all have several so-called leases on oil land sections. Further, it seems that a serious question is raised by the failure of the Navy Department to pursue this matter which, admittedly, has had no pursuit at all in some legal respects, and see whether or not the United States can repossess in fact these naval oil reserves and upset the so-called leases thereon.

Referring again to the bill itself (S. 1131) which is supposed to be in accord with the "program of the President," on reading the bill it is discovered that after certain leases may have been made by the President, the Secretary of the Navy is allowed "to alter or modify from time to time in his discretion the rate of prospecting and development on, and the quantity and rate of production from, such land of the United States under said plan or lease, any law to the contrary notwithstanding." The bill, also, excludes the President from the approval of a lease containing "royalty oil and gas products."

Obviously in a letter as brief as this, one can only point out the salient features of this matter all of which to me have a most unfortunate oily odor, to say the least.

I would not feel that I was doing my duty to you, the President of the United States, or to the American people, if I did not point out to you in frankness this which I feel to be a most questionable business, not only to warn you as President and as an individual against what I feel to be at best, inefficiency and lack of action, or at worst, the evil machinations of some individual or group in the Navy Department, but also thus to protect the rights and interests of the people of the United States.

Very sincerely,

ALFRED N. PHILLIPS, Jr.

COLLECTIVE TRADE-MARKS

Mr. LANHAM. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 9996) to authorize the registration of certain collective trade-marks, with a Senate amendment, and agree to the Senate amendment.

The Clerk read the title of the bill.

Mr. SNELL. Mr. Speaker, reserving the right to object, perhaps the gentleman had better tell us what this is.

Mr. LANHAM. This is a bill which was passed both by the House and the Senate with reference to which there has been no controversy. The amendment of the Senate simply takes the provisions of the House bill and places them at the proper places in the existing law. All it does, in addition to this, is to define the term "juristic person" as one, natural or artificial, who has legal responsibility.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert:

"That section 1 of the Trade-Mark Act of February 20, 1905, as amended, is amended by adding at the end thereof the following new paragraph:

" 'By similar procedure, any natural or juristic person, including nations, States, municipalities, and the like, which exercises legitimate control over the use of a collective mark, may apply for and obtain registration of such mark.'

"SEC. 2. Section 1 (b) of the Trade-Mark Act of March 19, 1920, as amended, is amended to read as follows:

" '(b) All other marks not registrable under the act of February 20, 1905 as amended, except those specified in paragraphs (a) and (b) of section 5 of that act, including collective marks of natural or juristic persons, and nations, States, municipalities, and the like, exercising legitimate control over the use of the trade-mark sought to be registered even though not possessing an industrial or commercial establishment, which have been in bona fide use for not less than 1 year in interstate or foreign commerce, or commerce with the Indian tribes by the proprietor thereof, upon or in connection with any goods of such proprietor upon which a fee of $15 has been paid to the Commissioner of Patents and such formalities as required by the said Commissioner have been complied with: *Provided*, That trade-marks which are identical with a known trade-mark owned and used in interstate and foreign commerce, or commerce with the Indian tribes, by another and appropriated to merchandise of the same descriptive properties or which so nearly resemble a known trade-mark owned and used in interstate and foreign commerce or commerce with the Indian tribes by another and appropriated to merchandise of the same descriptive properties as to be likely to cause confusion or mistake in the mind of the public or to deceive purchasers, shall not be placed on this register.'

"SEC. 3. Section 4 of the Trade-Mark Act of February 20, 1905, as amended, is further amended by deleting therefrom the following: '*Provided further*, That subject to the provisions of section 5 of said Trade-Mark Act (U. S. C., title 15, sec. 85) registration of a collective mark may be issued to an association to which it belongs, which association is located in any such foreign country and whose existence is not contrary to the law of such country, even if it does not possess an industrial or commercial establishment:'.

"SEC. 4. Registrations heretofore granted under that portion of section 4 of the Trade-Mark Act of February 20, 1905, as amended, repealed by section 3 of this act, shall hereafter have the same force and effect as if granted under section 1 of this act, and applications pending under such portion of such section 4 shall be considered in accordance with the provisions of section 1 of this act.

"SEC. 5. Section 29 of the Trade-Mark Act of February 20, 1905, is amended to read as follows:

" 'SEC. 29. In construing this act the following rules must be observed, except where the contrary intent is plainly apparent from the context thereof: The United States includes and embraces all territory which is under the jurisdiction and control of the United States. The word "States" includes and embraces the District of Columbia, the Territories of the United States, and such other territory as shall be under the jurisdiction and control of the United States. The terms "person" and "owner," and any other word or term used to designate the applicant or other entitled to a benefit or privilege or rendered liable under the provisions of this act, include a firm, corporation, or association as well as a natural person. The term "juristic person" includes a firm, corporation, association, or similar organization capable of suing and being sued in a court of law. The terms "applicant" and "registrant" embrace the successors and assigns of such applicant or registrant. The term "trade-mark" includes any mark which is entitled to registration under the terms of this act, and whether registered or not, and a trade-mark shall be deemed to be "affixed" to an article when it is placed in any manner in or upon either the article itself or the receptacle or package or upon the envelope or other thing in, by, or with which the goods are packed or enclosed or otherwise prepared for sale or distribution.' "

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. PETTENGILL. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce and its various subcommittees may be permitted to sit during sessions of the House today.

Mr. MAPES. Mr. Speaker, reserving the right to object, is the gentleman making his request in accordance with some action of the committee?

Mr. PETTENGILL. I am making my request at the request of the clerk of the committee who, I understood, was acting for the chairman of the committee. There are two subcommittees in session this morning considering different bills and the clerk of the committee, I assume, at the request of the chairman, asked me to come over and submit this unanimous-consent request.

Mr. MAPES. It is rather blanket authority the gentleman is asking.

Mr. PETTENGILL. I appreciate that, but I assume any member of the committee has the right to make the request.

Mr. MAPES. Of course, that is true. I do not think I shall object on account of the legislation being considered, but I think such action ought to be taken only at the request of the committee and not by any individual member of it unless he is authorized to do so by the committee. Yesterday, for example, one of the members of the committee objected to the committee meeting during the session of the House. I do not know what his attitude is today, or whether he knew that this request was going to be made or not. One member ought not to come in here and make such request upon his individual responsibility when a great majority of the committee may be opposed to it.

Mr. BOILEAU. Mr. Speaker, reserving the right to object, there is a bill before the gentleman's committee (H. R. 10127), a railroad employment insurance bill. This bill has been before the gentleman's committee for some time and there is great interest throughout the country in it. I wonder if the gentleman can give us any information as to whether or not this bill will be reported out by the committee this session,

Mr. PETTENGILL. I will say to the gentleman from Wisconsin a subcommittee of our committee was considering that bill this morning from 10 o'clock on, and with the convening of the House at 11 o'clock, without unanimous consent, of course, a point of order could be made, and I understand a point of order, corroborating what the gentleman from Michigan has said, and I want to be perfectly fair to the gentleman from Michigan, may be made.

I am here for the purpose of obtaining consent for these subcommittees to continue sitting during the day.

Mr. BOILEAU. Mr. Speaker, I hope that sometime during this session the committee will report out this bill. There is a great deal of interest in it.

Mr. MAPES. Mr. Speaker, further reserving the right to object, I was present during the hearing on that bill this morning in the committee, and another member and myself constituted the entire membership of the committee present during that hearing. It is a farce to hold hearings under such circumstances. It is a farce to call such hearings committee hearings. I am not going to object to this request because of my interest in this legislation, but I am opposed to this procedure.

The SPEAKER. Is there objection?

Mr. CARTER. Mr. Speaker, as this request is based solely upon the statement of the clerk of the committee, I think the gentleman does not come here clothed with proper authority and I object to the request.

Mr. PETTENGILL. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. PETTENGILL. It is true that I am here at the request of the clerk of the committee. I assumed that he had authority from the chairman. I do not know that definitely. My parliamentary inquiry is this: Has an individual member of a committee a right, on his own responsibility and without the authority of the chairman, if that be the fact, to make a request for unanimous consent that the committee may sit during the sessions of the House?

The SPEAKER. The Chair is clearly of the opinion that without any definite authorization any member of a committee may make such a request of the House.

Mr. CARTER. Mr. Speaker, I ask unanimous consent to withdraw my objection in order to ask the gentleman from Indiana a question. Was the gentleman present at the meeting of the committee this morning?

Mr. PETTENGILL. I got there about 10 minutes of 11 o'clock.

Mr. CARTER. Did the commitee take any action relative to this matter?

Mr. PETTENGILL. Not as a committee.

Mr. CARTER. Did the chairman?

Mr. PETTENGILL. Not to my definite knowledge.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

Mr. CARTER. Mr. Speaker, while I feel it my duty to object under the circumstances, I shall not do so; but I do feel that a Member coming in here and making such a request should come clothed with more authority than does our distinguished colleague from Indiana.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

Mr. RANKIN. Mr. Speaker, I reserve the right to object. In reply to a question that was asked a moment ago, let me say that the House of Representatives not only has the right to authorize a committee or a subcommittee to meet, but the House has a right by vote to require a committee to meet; and, of course, the same thing can be done by unanimous consent. We had this question up a few years ago when Mr. Speaker Longworth was in the chair, and he held that the House had a right to instruct a committee to meet. I withdraw my reservation.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

EXTENSION OF REMARKS

Mr. DONDERO. Mr. Speaker, I ask unanimous consent to extend my remarks and to include therein a short editorial on relief.

The SPEAKER. Is there objection?

There was no objection.

Mr. THOMAS of New Jersey. Mr. Speaker, I ask unanimous consent to extend my remarks and to include therein a statement made yesterday by the president of the New Jersey Public Utility Commission.

The SPEAKER. Is there objection?

There was no objection.

BACK TO THE PEOPLE, OR THE WISDOM OF THE MULTITUDE

Mr. GRAY of Indiana. Mr. Speaker, private bankers and manipulating financiers, the misers, shylocks, and money changers of today, have invaded the people's money temple, and in wanton disregard of public welfare are usurping, holding, and manipulating the powers of government controlling the public currency vested in Congress by the Constitution.

And Congress is naively abdicating its powers and standing by as palsied and paralyzed while international bankers and financiers are monopolizing and manipulating the people's money to bring on stock-market gambling booms and alternating panics and depressions, in the conduct of their speculating operations.

I have pleaded with Congress in vain to eject, evict, expel, and drive out these usurping bankers and financiers and to assume its constitutional powers to issue, regulate, and control the public currency and administer the same to serve the public welfare and in the interest of all the people.

And now, facing the emergencies of the depression, with Congress still abdicating its duty to regulate and control the public currency, with times and conditions growing more menacing, and Congress looking and planning for adjournment without providing other remedial measures, it is time to appeal to the higher power of the people.

With the majority in Congress failing to find and provide a remedy for the 1929 panic or depression, and suffering a relapse of the recovery program, and the minority Members in Congress posing only in the roll of objectors, without a single suggestion for relief, the time is realized as at hand for the people to act, to assert their power in the administration in public affairs.

There are some great reform movements which must begin with the people, which must come up from the people, the first or initial step which must be taken by the people. Under our form of self-government the people are the primary, the moving power; they are the masters directing public affairs.

Despairing of arousing this Congress to a realization of the crisis and emergency of the hour, to break the strangle-hold on money and to throw off this money-mad octopus usurping the powers of public currency, to pillage and take from the people their earnings, income, and substance in tribute mounting into the billions. I am resorting to the means of the radio to call out the minutemen of today, to ring the bells, send out the couriers, to hang the beacon lights high up in the watchtowers of the towns and hamlets, to warn the people to convene in the old town meeting halls.

Beginning with the first week in June, I will deliver a series of six weekly addresses on the cause and remedy for the depression from over 100 radio stations located in or reaching to the different congressional districts and identified with day and time of delivery as follows:

City	Station	Time	Day (weekly)
Ada, Okla	KADA	2:45 p. m.	Wednesday.
Akron, Ohio	WADC		
Atlantic City, N. J.	WPG	11:15 a. m.	Tuesday.
Asheville, N. C.	WWNC	8:15 p. m.	Monday.
Ashland, Ky.	WCMI	5:45 p. m.	Thursday.
Bridgeton, N. J.	WSNJ	1 p. m.	Wednesday.
Binghamton, N. Y.	WNBF	8:15 p. m.	Monday.
Bristol, Tenn.	WOPI	5:15 p. m.	Sunday.
Brownsville, Tex.	KGFI	12:45 p. m.	Monday.
Bloomington, Ill.	WJBC	6 p. m.	Tuesday.
Biloxi, Miss.	WGCM	7:45 p. m.	Thursday.
Brady, Tex.	KNEL	10 a. m.	Tuesday.
Charleston, S. C.	WCSC	Night	
Charlottesville, Va.	WCHV	8:30 p. m.	Friday.
Casper, Wyo.	KDFN	8:15 p. m.	Wednesday.
Centralia, Wash.	KELA	5:15 p. m.	Saturday.
Clovis, N. Mex.	KICA	8 p. m.	Thursday.
Cedar City, Utah	KSUB	7:45 p. m.	Monday.
Carthage, Ill.	WCAZ	9 a. m.	Do.
Columbia, S. C.	WIS	2:45 p. m.	Thursday.
Chicago, Ill.	WHIP		
Corsicana, Tex.	KAND	5:30 p. m.	Friday.
Dodge City, Kans.	KGNO		
Danville, Va.	WBTM	11:45 a. m.	Saturday.
Dayton, Ohio	WSMK	7:15 p. m.	Tuesday.
Decatur, Ala.	WMFO	1:15 p. m.	Monday.
Devils Lake, N. Dak.	KDLR	8:15 p. m.	Thursday.
Duluth, Minn.	WEBC		
Do.	KDAL	9:15 p. m.	Monday.
Durango, Colo.	KIUP	6 p. m.	Wednesday.
Dublin, Tex.	KFPL	11:15 p. m.	Do.
Elk City, Okla.	KASA	8:15 a. m.	Thursday.
Florence, S. C.	WOLS		
Griffin, Ga.	WKEU	2 p. m.	Wednesday.
Greeley, Colo.	KFKA	6 p. m.	Sunday.
Green Bay, Wis.	WTAQ		
Gallup, N. Mex.	KAWM	7 p. m.	Tuesday.
Hattiesburg, Miss.	WFOR	7 p. m.	Sunday.
Hagerstown, Md.	WJEJ	8 p. m.	Wednesday.
High Point, N. C.	WMFR	5 p. m.	Do.
Harrisburg, Ill.	WEBQ	6 p. m.	Sunday.
Huntsville, Ala.	WBHP	6:30 p. m.	Monday.
Indianapolis, Ind.	WFBM	6 p. m.	Do.
Janesville, Wis.	WCLO	3:30 p. m.	Thursday.
Jerome, Ariz.	KCRJ	6 p. m.	Monday.
Lawrence, Mass.	WLAW	6:15 p. m.	Sunday.
Lamar, Colo.	KIDW	10:30 a. m.	Wednesday.
Lubbock, Tex.	KFYO	8 p. m.	
Lima, Ohio	WBLY	2 p. m.	Tuesday.
Laconia, N. H.	WLNH	1:15 p. m.	Friday.
Lakeland, Fla.	WLAK		
Longview, Tex.	KFRO	12:45 p. m.	Monday.
Little Rock, Ark.	KARK		
Do.	KLRA		
Missoula, Mont.	KGVO	9 p. m.	Wednesday.
Muskegon, Mich.	WKBZ	9:45 p. m.	Monday.
Manitowoc, Wis.	WOMT	8 p. m.	Saturday.
Marshfield, Oreg.	KOOS	6:45 p. m.	Tuesday.
Moorhead, Minn.	KVOX	6:15 p. m.	Saturday.
Macon, Ga.	WMAZ		
Nampa, Idaho	KFXD	8:30 p. m.	
New Bedford, Mass.	WNBH	2:45 p. m.	
New Britain, Conn.	WNBC	1:30 p. m.	Sunday.
Omaha, Nebr.	WOW		
Parkersburg, W. Va.	WPAR	7-8 p. m.	Tuesday.
Pocatello, Idaho	KSEI	8:30 p. m.	Saturday.
Portsmouth, Ohio	WPAY	4 p. m.	Wednesday.
Portland, Maine	WCSH	7:30 p. m.	Friday.
Portsmouth, N. H.	WHEB	7:45 p. m.	Monday.
Pampa, Tex.	KPDN	8:30 a. m.	Saturday.
Rutland, Vt.	WSYB	8:30 p. m.	Wednesday.
Raleigh, N. C.	WPTF	8 p. m.	Monday.
Rochester, Minn.	KROC	6:45 p. m.	Do.
Rome, Ga.	WRGA		
Richmond, Ind.	WKVB		
Rapid City, S. Dak.	KOBH	7 p. m.	Friday.
Racine, Wis.	WRJN		
Rochester, N. Y.	WHEC		
Scottsbluff, Nebr.	KGKY	8:30 p. m.	Wednesday.
Shawnee, Okla.	KGFF	4:30 p. m.	
Scranton, Pa.	WGBI	8:30 p. m.	Monday.
Spartanburg, S. C.	WSPA		
Sheffield, Ala.	WMSD	5:30 p. m.	Do.
Sacramento, Calif.	KFBK	11 a. m.	Tuesday.
Santa Rosa, Calif.	KSRO	7:15 p. m.	Monday.
Salisbury, Md.	WSAL	7 p. m.	Wednesday.
St. Petersburg, Fla.	WSUN	7 p. m.	Saturday.

City	Station	Time	Day (weekly)
Sheridan, Wyo	KWYD	3:30 p. m	Wednesday.
Sterling, Colo	KGEK	1 p. m	Do.
Syracuse, N. Y	WSYR	8:15 p. m	Monday.
Troy, N. Y	WHAZ	7 p. m	Do.
Twin Falls, Idaho	KTFI		
Toledo, Ohio	WSPD		
Tulsa, Okla	KVOO		
Valley City, N. Dak	KOVC	7:30 p. m	Do.
Visalia, Calif	KTKC	4 p. m	Sunday.
Wausau, Wis	WSAU	9:30 p. m	Monday.
Watsonville, Calif	KHUB		
Waterbury, Vt	WDEV	6:30 p. m	Wednesday.
Yuma, Ariz	KUMA	12:30 p. m	Do.
Zanesville, Ohio	WALR		

The following are additional stations:

City	Station	Time	Day (weekly)
Albuquerque, N. Mex	KGGM	9:45	Thursday.
Butte, Mont	KGIR	Evening	
New York City	WMCA		
Do	WHN		
Phoenix, Ariz	KOY	6:45	Friday.
Reno, Nev	KOH		
Springfield, Mo	KWTO		
Salt Lake City, Utah	KDYL	6 p. m	Do.
Texarkana, Tex	KCMC	8 p. m	Thursday.
Tulsa, Okla	KTUL		
Washington, D. C	WOL	9 p. m	Monday.

If the weekly day and hour of your home radio station is not given in the list below, ask your radio station to have the same published. And, if your station is not included in the list, have petition of listeners presented to station requesting that the program be carried for your section of the country.

Other stations are being added to this list.

Copies of these addresses or the series will be sent on request received from Members of Congress or from the general listening radio audience.

I am calling the people to organize under the leadership of courageous men inspired by the example of Andrew Jackson who defied the invading financiers and drove them from the money temple as Christ drove out the money changers who were making His house a den of thieves.

Every reason or rational precaution, every sense of justice and right, and every consideration of public welfare would require, demand, and dictate that such a vital public agency as money should be kept and held free from monopoly, free from private, selfish control and manipulations.

And if there is one public function which should be watched over and safeguarded with more jealous and exacting care than others, and administered by Government officials under bond, penalty, and oath of office, and held under the glare of the noonday sun and the searchlight of public operations, it is the regulation of the public currency.

And the founders of our Government, recognizing money as a vital public agency and a power for good or evil and its susceptibility of great abuse in the hands and control of private, selfish interests, and to safeguard it against monopoly and private control, made the public currency a special subject for the protecting hand and guardianship of the Government.

Our forefathers wisely provided under clause 5, section 8, article I, of the Federal Constitution or basic law for the issue, regulation, and control of money by Congress, the sworn and chosen representatives of the people, under open and public proceedings, as other governmental agencies are controlled.

And of all the powers exercised by government, and of all the functions of governmental departments, and of all the discretion over money and public funds of the Department of the Treasury, none should be more sacredly and jealously safeguarded than the management and control of public currency, the vital lifeblood of industry and civilization.

It was Meyer Anselm Rothschild, the world wizard of money and finance, who, speaking of the powers of money, said:

> Give me the power to issue money, and I care not who makes the laws.

In making this statement he meant that the power to issue and control money was greater than the power to make the laws, greater than the power to enforce the laws, greater than the power to construe and apply the laws, greater than all other powers of the government exercised singly or all combined.

Yet in wanton indifference and in disregard of the Constitution, in disobedience of the Constitution, in violation of the Constitution, in defiance of the Constitution, this sacred trust over money is being abdicated by Congress, surrendered and given over by Congress to private bankers and financiers to be held, manipulated, and controlled for private profit, advantage, and gain.

But, taking advantage of the mysteries of money, the hidden, covered, concealed operations of money, Congress has been misled to yield up the control of this far greater power, the regulation of the public currency, to manipulating bankers and international financiers, for use in their speculating stock-market investments.

And under the control and manipulation of money by private bankers and manipulating financiers, the misers, shylocks, and money changers of today, every panic in this country has come. The 1920 and 1929 panics came and under the control and manipulation of the same private financiers under which this 1937 depression has come.

If the facts of this abdication and surrender of the constitutional powers to control money to the private bankers and international financiers were known and understood by the people, they would no more consent to or countenance the secret, private control of money than they would make like surrender of other departments of the Government.

If the facts were known and fully understood, the people would no more tolerate the private, secret control of the currency for a single day or hour of time, more than the Post Office Department, more than the Public Revenue or Accounting Department, more than the courts or judiciary departments.

They would revolt and make imperative demand that Congress promptly recover back these surrendered powers over the public currency and for their exercise in the open as other public duties, and made to serve the public welfare and the interests of all the people instead of the few private bankers and financiers.

And I propose to show to the people how their sacred, vital money system has been invaded and is being monopolized and used for private, selfish profit, advantage and gain, and how money, the life-blood of industry, is held and withdrawn from use and this is the causes of panics or depressions.

Until some further and positive remedy and more than a resort to retrial of the recovery measures tried out and failed, and proven fruitless and of no avail, is provided to remedy this depression, I will consider it my first and highest duty to insist that Congress remain in session.

With this depression growing more severe, and unemployment increasing from day to day, and threatening to equal the industrial paralysis of the 1929 panic, it will be criminal neglect of official duty for this Congress to adjourn or recess before providing some more adequate measure for relief and a remedy from this depression.

CALL OF THE HOUSE

Mr. GOLDSBOROUGH. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Maryland makes the point of order that there is no quorum present. Evidently there is not.

Mr. GOLDSBOROUGH. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 96]

Allen, Del.	Biermann	Byrne	Clark, N. C.
Andrews	Binderup	Cannon, Wis.	Cochran
Arnold	Boylan, N. Y.	Cartwright	Cole, Md.
Atkinson	Buckley, N. Y.	Champion	Crawford
Bacon	Bulwinkle	Chapman	Creal
Barden	Burch	Clark, Idaho	Crosby

Culkin	Hancock, N. Y.	Magnuson	Shafer, Mich.
Curley	Hancock, N. C.	Mahon, S. C.	Short
Deen	Harrington	Martin, Colo.	Smith, Okla.
Dingell	Hennings	Mitchell, Ill.	Somers, N. Y.
Dirksen	Hildebrandt	Mitchell, Tenn.	Spence
Disney	Jacobsen	Mosier, Ohio	Stack
Ditter	Keller	Mouton	Steagall
Dockweiler	Kelly, Ill.	Norton	Sumners, Tex.
Doughton	Kelly, N. Y.	O'Connell, Mont.	Sweeney
Douglas	Kerr	O'Connor, Mont.	Taylor, Colo.
Drewry, Va.	Kniffin	O'Day	Thurston
Edmiston	Lambertson	O'Leary	Tinkham
Faddis	Lea	O'Toole	Tobey
Ferguson	Lemke	Patman	Vinson, Ga.
Flannagan	Lewis, Md.	Patterson	Wadsworth
Fulmer	Lord	Peterson, Fla.	Wearin
Gasque	Luckey, Nebr.	Polk	Weaver
Gifford	Luecke, Mich.	Randolph	Wene
Gilchrist	McClellan	Reed, N. Y.	West
Gray, Pa.	McGranery	Rich	Whelchel
Green	McGroarty	Richards	White, Idaho
Greenwood	McLean	Sabath	White, Ohio
Griswold	McMillan	Schulte	Whittington
Guyer	McReynolds	Scott	Wood
Hamilton	Maas	Secrest	

The SPEAKER. Three hundred and four Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

NATIONAL GUARD

Mr. MAY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 9721) authorizing the disbursement of funds appropriated for compensation of help for care of material, animals, armaments, and equipment in the hands of the National Guard of the several States, Territories, and the District of Columbia, and for other purposes, with a Senate amendment, disagree to the Senate amendment, and ask for a conference.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. MAY, THOMASON of Texas, HARTER, ANDREWS, and ARENDS.

COMMITTEE ON MILITARY AFFAIRS

Mr. MAY. Mr. Speaker, I ask unanimous consent that the Committee on Military Affairs may be permitted to sit during the sessions of the House today.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. ANDERSON of Missouri asked and was given permission to revise and extend his remarks.

CHIPPEWA INDIANS OF MINNESOTA

Mr. BUCKLER of Minnesota. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4544) to divide the funds of the Chippewa Indians of Minnesota between the Red Lake Band and the remainder of the Chippewa Indians of Minnesota, organized as the Minnesota Chippewa Tribe, with Senate amendments, and agree to the Senate amendments.

The Clerk read the title of the bill.

Mr. SNELL. Mr. Speaker, reserving the right to object, will the gentleman explain the purpose of the bill briefly?

Mr. BUCKLER of Minnesota. Briefly stated, the purpose of the bill is to permit the division of tribal funds between two tribes of Chippewa Indians in Minnesota, the Red Lake Band and the White Earth Band. There is no opposition to it on the part of the Indians or from any other source.

Mr. SNELL. And it will result in no increase in cost?

Mr. BUCKLER of Minnesota. Not a cent.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The Clerk read the Senate amendments, as follows:

Page 2, lines 1 and 2, strike out "or from any other source" and insert: "from which total amount so determined, said Secretary shall deduct and retain in the existing fund now standing to the credit of 'all the Chippewa Indians in the State of Minnesota' the sum of $10,000, and so much thereof as may be necessary, may be expended as authorized in the act of May 14, 1926 (44 Stat L. 555), and the amendatory act of April 11, 1928 (45 Stat. L. 423), and for no other purpose."

Page 2, line 6, strike out "Band of."

Page 2, line 11, strike out "bands of."

Page 2, line 17, strike out "Band" and insert "Chippewa Indians of Minnesota."

Page 2, line 19, strike out "Band" and insert "Chippewa Indians of Minnesota."

Page 2, line 23, strike out "or other applicable act."

Page 3, line 1, strike out "Band" and insert "Chippewa Indians of Minnesota."

Page 3, lines 2 and 3, strike out "the tribal organization of" and insert "all."

Page 3, line 3, strike out all after "Minnesota" down to and including "fund" in line 5.

Page 3, line 7, strike out "or other applicable act."

Page 3, line 9, strike out "said tribe" and insert "all other Chippewa Indians of Minnesota."

Page 3, line 10, strike out "All" and insert "Any unexpended balance remaining of the $10,000 set aside by the first section of this act and all."

Page 3, line 13, strike out "or from any other source."

Page 3, line 15, strike out "Band" and insert "Chippewa Indians of Minnesota."

Page 3, lines 15 and 16, strike out "the Minnesota Chippewa Tribe" and insert "all other Chippewa Indians of Minnesota."

The Senate amendments were agreed to, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. RABAUT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a short editorial from the weekly review America entitled "Martin Versus Ford."

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. LAMBERTSON. Mr. Speaker, I ask unanimous consent to extend my own remarks.

The SPEAKER. The gentleman already has that privilege under a general order of the House.

AMENDMENT OF THE UNITED STATES HOUSING ACT OF 1937

Mr. GOLDSBOROUGH. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 10663) to amend the United States Housing Act of 1937.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 10663) to amend the United States Housing Act of 1937, with Mr. PARSONS in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. The gentleman from Maryland has 1 hour and 10 minutes remaining. The gentleman from Michigan has 1 hour and 17 minutes remaining.

Mr. WOLCOTT. Mr. Chairman, I yield 30 minutes to the gentleman from Massachusetts [Mr. LUCE].

Mr. LUCE. Mr. Chairman, the Washington Post this morning, printing a story about housing legislation, gave the impression that the Republicans in this House were opposing this bill. As a matter of fact, of those committee members who oppose the abolition of the 10-percent requirement the greater part are of the Democratic side. The mischance by which the section in question comes before the House, the regrettable mischance, as most of you know, was due to the objection to casting proxy votes for two members of the committee who were absent. Had even one of those members been present the chief question now before you would not have been presented to the House. This, however, is not the occasion to discuss that matter, but I may express my regret that the objection raised in our committee for the first time in all the years I have been here should have happened to be raised in respect of this particular bill. It may have been right, it may have been wrong, but it was contrary to the precedent of many years.

Anyhow it is not the case that a partisan controversy comes before you. In the years through which I have been a member of the Committee on Banking and Currency, it has been my pride to tell various audiences that ours was a nonpartisan committee. When we are in executive session, I have told them, I had never seen a vote cast nor heard an argument advanced from partisan motives. So this morning I would have you gentlemen on my right under-

stand that my argument does not address itself to a partisan consideration in the slightest particular.

We are facing here a very important problem. It was one of the distressing things yesterday that so few of the Members felt it necessary to learn about the nature of this problem. They did not realize that one thousand million dollars is concerned here and that by your vote upon the critical question involved you will determine the fate of $100,000,000. Although we have come to be accustomed to deal in huge sums, it is at least worth while for a few minutes to consider the wisdom of this particular vast expenditure. I mentioned a thousand million dollars. The bill itself shows only $800,000,000, but the Administrator, Mr. Nathan Straus, in the hearings again and again referred to it as a billion dollars.

It puzzles me to know how he could have told the committee that if his program worked out there will be not one dollar of cost to the United States Treasury. Said he:

> This is an important statement and I want to get it on the record. That will all be repaid with interest and amortized over a 60-year period.

He had with him his counsel, Mr. Keyserling, who testified somewhat in contradiction thereto. Mr. Keyserling said:

> It is true the bonds are all serviced from the gross revenues of the project, that the revenue comes from three sources, rentals, reduction of local charges and, third, from the Federal subsidy.

Further he said:

> The main security for the retirement of the loan is the pledge of the annual subsidy.

He could not have expected to get much, if any, net income from rentals, for these are to be so low that after paying maintenance costs there will be no material profit left. The "reduction of local charges" probably means tax remissions and these produce no cash. There remains only "the Federal subsidy." This is a gift from the Government, and it is called a contribution. Curiously enough, the Housing Act requires—

> All such annual contributions shall be used first to apply toward any payment of interest or principal on any loan due to the Authority from the Public Housing Authority.

This means that the first use of a gift from the Government shall be to pay on a loan made by the Government.

Mr. Chairman, if you were good enough to give me a hundred dollars and then to lend me a hundred dollars, and I took the hundred dollars that you gave me and paid back the loan, would you have lost any money? Ask Johnnie about that when you go home tonight and have him put it before his school teacher. Can the Federal Government say it has been repaid when the money has come from the funds it lends? It goes out and it comes back, and the Government debt contracted for the original loan is just as large as it was before. I will rebut the statement of Mr. Straus with my own allegation that not one dollar of this billion dollars will, in net result, ever come back. Therefore it becomes of some importance to consider the problem involved.

You will not understand it if I do not explain that we now have several agencies concerned with housing. The ones that today most interest us are the Federal Housing Administration and the United States Housing Authority. For simplicity and for no other reason I am going to speak of them by using the names of their Administrators, Mr. Stewart McDonald, of the Housing Administration, and Mr. Nathan Straus, of the Housing Authority. Mr. McDonald has in his charge the financing of building by private contractors. The Government guarantees the repayment of their borrowings, so he indirectly lends. If I mistake not, he is doing that job in a most admirable fashion. I commend the program and I commend him.

A few days ago he showed to a group of men in Washington interested in these matters a film recently prepared showing housing in Switzerland, Germany, Sweden, England, and the United States, a most enjoyable and instructive film. Its purpose is for display to leaders in community life, particularly men of finance, in various cities of the country in order to enlist and encourage private activity. The point I want to bring out is that Mr. McDonald is concerned with inviting people to meet our dangerous housing situation. Mr. Straus, on the other hand, is engaged in inviting and helping local communities to do the job in a single particular, that of slums. The one has already shown the possibility of success by leaving this to private interests. The program of the other is what I would lay before you.

Mr. Straus does not need more money at once. On the 1st of July he will have at his command $300,000,000. The power of the Authority goes back to the law enacted last August, 9 months ago, and it was only a few days ago that Mr. Straus put out his first dollar in the way of loan. Nine months, and then comes an actual start. I am not going to criticize him for that. It has been a difficult job to organize and get going. These big things cannot get into action instantly. I mention that fact in order to show you that if he gets $700,000,000 more he cannot get into action instantly. It takes time to buy or condemn land, to prepare plans and specifications, to make contracts, to do all the preliminary work. I mention that in order to show you that Mr. Straus is not to be criticized but to show you that if he gets $700,000,000 beyond the $300,000,000 he will have at command July 1 he cannot immediately use it for actual construction, for the employment of artisans now idle, for any effect on unemployment or the depression. My belief is that the labor unions in the building trades are deceived in this matter. My judgment is that if the $700,000,000 is given to him there will not by its use be a shovelful of earth moved before next year, not a brick laid nor a nail driven. Possibly I may be in error, but I am myself convinced from what we have already observed that it is unnecessary at the moment to grant this additional fund.

The country has been told, and the labor unions have taken action by reason of being told, that this will set hundreds of thousands of men at work. It will not do it now; it will not do it this fall; it may do it in the years that are to come. There is absolutely no likelihood of it at present.

But that is not the thing upon which I would dwell. It is chiefly what has already been done, as showing the program which Mr. Straus intends to follow.

In March there were approved by the President five projects. These five projects were for construction in the cities of Syracuse, N. Y., New Orleans, La., Youngstown, Ohio, Charleston, S. C., and Austin, Tex., and the average cost of these projects is to be $6,190 a unit. We limited the expenditure to $1,000 a room. A unit may have three, four, or five rooms, but the average is about four rooms.

The cost of $6,190 a unit is of itself a warning. I have read that the ordinary cost of a privately built one-family brick veneer house is in most cities about $600 to $750 a room. We allowed in our bill, for four rooms, a thousand dollars apiece, $1,250 in cities with more than 500,000 population.

Here is where the committee and the House made an oversight. I plead guilty myself. I had no idea that adding in the cost of the land and the other expenses would permit $6,190 of expense per unit.

Let this sink in. A $6,190 home is to be furnished under this program. Who are going to have these homes? Here comes a still more interesting feature. We thought we were doing something for slum dwellers. It was a slum-clearance bill. The emphasis was laid constantly on the fact that it should be for the clearing of slums. The Housing Act itself ordered that, for in the first section it is declared to be the policy of the United States to serve families of low income, and it defines that term. It says the term "families of low income" means families who are in "the lowest income group." What is the lowest income group in this country? It would be generally accepted that it is made up of the families with less than $1,000 a year income.

We also put into the bill the provision that these units should not be rented to anybody having an income more than five times as large as the rent. I am not going to go to any further extent into the figures on this, although I have them in my hand, except to tell you that under the law as it

stands very few people with less than $1,000 a year income can occupy a unit in the new apartment house or a corresponding individual dwelling, and very few people with more than $1,500 income as the law now stands, and nothing in the bill before you will change that. The great bulk of these units will be occupied by families with an income of from $1,000 to $1,500.

Our Labor Review said in October, in an article on the English experience:

> The expected process of filling up the area, once houses became available, failed to materialize, and the benefits of the program accrued primarily to the artisan and white collar classes.

As I have said, this is what happened in England, and this is what is going to happen here. Think of the hypocrisy of telling people of the lowest-income classes, whom we call the poor, that they are going to have something done for them, when the new housing can be occupied only by the moderately well to do.

Mr. TRANSUE. Mr. Chairman, will the gentleman yield?

Mr. LUCE. I yield to the gentleman from Michigan.

Mr. TRANSUE. Is it not true that under the bill the units may be rented to people having incomes as low as $400 to $500 a year?

Mr. LUCE. They can be rented to people with incomes as low as $400 to $500, but the families have not the money to pay the rents that must be charged. Nobody with an income of less than $1,000 a year can even pay what is called the social rent. That is the rent which is to be charged. It is two-fifths of that which you or I would pay if we occupied similar quarters in privately owned buildings.

There is to be a subsidy or abatement to the extent of three-fifths of what is called the economic rent, the rent a private investor would require to meet running expenses and give him reasonable return on his money. It is usually figured at 10 percent of value.

In the case of the housing projects we are considering, subsidy or abatement of three-fifths of the economic rent will result in occupancy by a selected group, few in proportion to the population of the city, who will get three rooms for $183 a year, four for $244 a year, five for $305 a year, in each case two-fifths of what their neighbors will pay for like accommodations.

Is it not clear that even with the three-fifths subsidy very few families with income of less than $1,000 a year can occupy the new suites or cottages?

Under those circumstances let me plant it in your mind that this cannot be a project to house slum dwellers. What is going to become of them? The law makes only this provision, that they shall be furnished with safe and sanitary quarters somewhere in the same city or in the metropolitan area. That is all it does for them. There is nothing in here to help the man who has an income of $600, $700, or $800 a year. There is nothing here to help the distressed widow with scanty means of support, who has only $600, $700, or $800 a year income. There is nothing here to help the people we meant to help and whom we ought to help, and whom I hope profoundly some day we will help. This is a bill to provide subsidized rent for part of the men of the white collar and artisan class.

This is precisely what happened in England. They started after the war, 15 years ago, with a law meant to clean out the slums. They worked under that law for ten or a dozen years before they found out how costly and ineffective it was. Then they changed their law, and again changed it only 3 years ago, at last distinctly separating the problem of slum clearance from that of new housing.

Mr. SNELL. Mr. Chairman, will the gentleman yield?

Mr. LUCE. I yield to the gentleman from New York.

Mr. SNELL. Was there any evidence before your committee to show what proportion of the people who lived in slum areas before these projects were started eventually lived in what they called the slum-clearance houses?

Mr. LUCE. No. The slum man is the forgotten man.

Mr. SNELL. Did any of them ever get into any of these new places?

Mr. LUCE. None of the new places had been started until within a few days. We do not know what is going to happen, but we can read what they are planning and know they are figuring to rent for two-fifths of normal rent units that average to cost $6,190, including building, land, and all. Under this program helping the slum dweller simply cannot be done. There will be no contribution to the welfare of the people we had in mind and for whom the law was written. If time permitted, I could show you my calculations on that point. It is, to my mind, indisputable. I have gone over my calculations again and again and again, and it has strengthened my belief that you will give no help to the slum dweller. More than one-tenth of the families in this country have an income of less than $1,000 a year, and to that element alone would your attention better be directed.

Dwelling now upon the vital proposal in the pending bill, let me read to you what Mr. Straus, the Administrator, himself said:

> The amendments are not necessary in order to enable the United States Housing Authority to do the job of rehousing a certain number of slum dwellers.

It is not going to rehouse a certain number of slum dwellers in the way we had hoped, by insuring them much better homes. All the law says is that they shall get other quarters. You may say that is rehousing even if they go into equally poor surroundings. All that is required is that the buildings they are to occupy be safe and sanitary. That is the only rehousing you are going to get.

Another thing to be brought to your attention is the fact that when we passed this bill we believed it would be necessary, useful, desirable, and practicable only in the large cities. There have already been earmarked—by earmarking we mean setting aside with a promise to give the money if the local housing authority meets the conditions—five places of from 11,600 to 16,300 populations, and the projects to be put in these little cities are to cost an average of $294,000. Think of the absurdity of carrying on a housing project in a place of 11,600 people where the cost on the basis of the average will be near $300,000. If you are going to start there and go through the hundreds of little places in the country and spend $300,000 apiece, where will your Treasury be? It is already in precarious enough condition, and if you are going to do this for these little places and not put upon them the responsibility of handling their own blighted areas, you will have a national burden almost beyond imagination.

This is unfair to the seven and one-half millions of urban dwellers who own their own homes; unfair, because they are going to see some of their neighbors put into quarters where they will pay only two-fifths of the rent that would otherwise have to be paid, as shown by the figures Mr. Straus laid before us in mimeographed form, where the social rent, as he calls it, or the subsistence rent, will be only two-fifths of the economic rent.

Worse yet, you are going to destory local responsibility and center it in Washington.

You are going to shift the slums from one part of a community to another part of a community.

What to me is the most serious thing of all, there is to be no provision made for acquisition and ownership. The safety of this country depends upon the ownership of homes by as great a part of its people as possible. Remember what took place in Vienna when the Communists built those huge structures to hold many of their faith. Remember that they became a threat to society, and that thoughtful people brought cannon and blew down the buildings rather than have them longer such a menace. Out here at Greenbelt, with 880 families to be accommodated, not a man is allowed to buy his own home. Under these new projects I find no opportunity for any man to buy his own home. Can it be thought that the welfare of society is to be advanced by a program under which home ownership is not only to be discouraged, but absolutely prevented, so far as these projects are occupied? The man who owns his own home has a pride in his citizen-

ship. He thoughtfully attends to the duties of a citizen at the polls. He takes a part in the public welfare. If he rents his apartment, he loses the attractions and benefits of a real home. Demolish the slums if you will and can, but give the slum dweller the chance to be a home owner and a home maker. [Applause.]

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. WILLIAMS. Mr. Chairman, I yield 15 minutes to the gentleman from Wisconsin [Mr. REILLY].

Mr. REILLY. Mr. Chairman, the pending bill does not increase in any way the financial obligations of the Treasury under the present United States Housing Act. I have always been opposed to the philosophy back of our slum-clearance program; that is, that the clearing of our slums was the job of the United States Treasury, but the country and the Congress have approved such a program. I believe that slum clearance is fundamentally a local problem and should be largely financed by the community benefited by such a project.

Let us go back a little in history. The first Wagner slum-clearance bill passed by the Senate in 1936 threw the doors of the United States Treasury wide open, and put upon the National Treasury the whole cost of clearing the slums of the country—without local contributions except what the cities or communities might see fit to offer. When the bill came to the House in the closing days of the session of 1936, the members of the Banking and Currency Committee refused to consider it and allowed it to die. There was a howl from a few newspapers—the press of the country—that the Banking and Currency Committee of the House had strangled a good piece of legislation.

In the next session of Congress, 1937, the Senate passed another slum-clearance bill. This second Senate slum-clearance bill provided for a small local contribution.

This second Senate bill, as reported by the House Banking and Currency Committee and as passed by the House, provided that the communities seeking a slum-clearance project should provide 20 percent of the total cost of the project, and also 25 percent of the annual subsidies required to make the particular housing project a low-rent project. When the 1937 slum-clearance bill came from conference it provided that the cities seeking a slum-clearance project should provide 10 percent of the total cost of the project, and also provide 20 percent of the subsidies required to operate the project as low-rent houses.

This bill also provided that the cities securing a project could furnish their share of the annual subsidy by granting to the project tax exemption either in whole or in part.

In carrying out the terms of the 1937 United States housing bill, the Director has secured the 10 percent of the total cost of the slum clearance, required by law to be furnished by the local community, to be provided through the sale of bonds of the local housing authority, and he has also through tax exemptions secured a total contribution to the annual subsidies requiring much in excess of the 20 percent local contributions required by the law.

In some instances the contribution for the annual subsidies provided by the cities, through tax exemptions, has gone as high as 70 percent of the amount contributed by the United States Treasury through the National Housing Authority.

There was a feeling on the part of many members of the Banking and Currency Committee of the House that these tax contributions did not as a usual proposition amount to very much of a contribution on the part of a city receiving a housing project, for the reason that as a general rule slums are very expensive to the cities in which they exist. The taxes received from slum property nowhere equals the expenditures on the part of the city occasioned by the existence of said slums.

Again, when slum-clearance projects are located outside of the slum area, the land value is very low, and consequently the city is out but little in the way of taxes by remitting taxes on a project built on such land.

The theory upon which it is held that a city's contribution to a slum-clearance project, by remitting taxes amounts to much, is based upon the fact that the taxes to be remitted are levied on the new building that costs the city nothing to build.

Now, I made the statement in the beginning of my talk that the pending bill, which provides for the Government loaning 100 percent on a slum-clearance project, instead of 90 percent as the law now is, will not cost the Treasury a cent; in fact, the Treasury will be money ahead.

The slum-clearance law as now written provides that after the rents the tenants are supposed to be able to pay has been fixed, the difference between what the rents bring in and what it costs to operate a slum project, in the way of interest on the money loaned by the Government, in the way of interest on the money provided by the local housing authority, and the upkeep of the project, is to be paid in monthly or annual subsidies by the Treasury of the United States. This subsidy amounts to about $4 a week for every room in a slum-clearance project.

Now, the Government gets the money that it puts in the project at a low rate of interest—about 3 percent—while the local housing authority that provides the 10 percent of the cost of a project has to pay a much higher rate for the money it furnishes; but the Treasury of the United States, by paying annual subsidies, has to pay the interest on the money furnished by the local housing authority as well as the money furnished by the National Housing Authority.

This contribution by the National Housing Authority is limited to 3½ percent a year on the total cost of the project.

Now, if the Government furnished all of the construction money 100 percent, instead of 90 per cent, the only difference would be that it would have to pay a lower rate of interest on the 10 percent furnished by the Housing Authority, because it furnished that money itself at a much lower rate of interest, and thereby the Treasury would be that much ahead.

Thus we see that all this talk about sticking the United States Treasury by eliminating the requirements that the local communities furnish 10 percent of the cost of a slum-clearance project is nothing but talk and has no basis in fact.

I am in favor of the amendment to the existing law contained in the pending bill that eliminates the requirement that the local housing authority shall furnish 10 percent of the cost of the project, because it will help to speed up the work of the Housing Authority in allotting the funds at his command.

The requirement that the local housing authority furnish 10 percent of the cost of a slum clearance construction slows down the process of allotting money, because it takes some time to sell the bonds of the Housing Authority in order to raise the required 10 percent.

The slum-clearance bill of 1937 was intended to be simply a slum-clearance bill, but conditions are vastly different today than they were a year ago from an economic standpoint, from an employment standpoint, with the result that this pending slum-clearance bill is not only a bill to help cities clean up their slums, but it is also a relief bill—a bill to provide jobs, some more jobs, at least, for our army of unemployed.

The pending bill will make it possible for the Housing Director to provide more jobs than if the present law should remain unamended.

I am firmly of the opinion that local communities seeking housing projects should be required to pay a substantial part of the cost of such projects. My thought has been that substantial contributions should be made to the original cost of slum-clearance projects by the local community, but it would appear from the views as expressed by those who are supposed to know something about slum-clearance work that if the local communities are required to make anything like a substantial contribution in cash to a slum-clearance project there will be no slum-clearance project, simply because the cities are unable to make such contributions.

However, it would appear that if cash contributions are not possible at the beginning of a slum-clearance project, then

some provision ought to be made where the cities benefited by a slum-clearance program would be required to make a larger contribution to the operating of these projects than they will make through a 100 percent tax remission.

All our great cities make annual appropriation for the operation of their park system, playgrounds, and so forth, and it does not seem that it is unreasonable to ask those cities to also make substantial cash contributions each year to carry out slum-clearance programs.

I am in favor of raising the amount of money to be available to the Housing Authority to $800,000,000 as provided in the pending bill. As I have said, this bill is primarily a relief bill, a bill to provide jobs and the speeding up of housing projects all over the country, cannot but have a good effect upon the employment situation.

Future Congresses will have to reconsider the national policy in regard to slum clearance. There is no doubt at all but the National Government should render substantial assistance to the cities of the country, particularly the larger cities, in the carrying out of any program initiated by the said cities for the purpose of cleaning up their slums, but that the National Government should, as provided by present legislation, assume practically the whole burden of slum clearance in this country is unthinkable.

Mr. WHITE of Ohio. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, it seems to me, in connection with the consideration of this bill, that we should properly ask ourselves what it does to this fellow we sometimes forget about, known as John Q. Public. We shed crocodile tears for everybody under the sun except the fellow on the end of the deal who has to pay the taxes, known as John Q. Public. There is no one in this House who does not feel that the slums are a blight upon our form of civilization, and that we ought to use every possible method in order to eliminate them; but, of course, there are very few people who would not contend that the methods we use should conform to some test of practicability.

Let us just strip this proposition right down to bedrock; and if we do this, we will find that in substance the thing it does is say to the average citizen, or Mr. John Q. Public, in your community and mine, that he must live in a home which does not average in value more than $2,500 or $3,000; he must pay for it himself; and yet under this program he must turn around and build for the other fellow a home that has a value of seven, eight, or nine thousand dollars in many cases, and he must pay for the other fellow's home on that basis, while he himself lives in a two-, three-, or four-thousand-dollar home. I do not know what you would say is the average value of the homes in your community, but I know in my community the citizen who will have to pay for this project, all up and down the city streets and the farm communities, lives in a home that does not cost over three or four thousand dollars. I want to emphasize the point we must certainly recognize—that man has to dig down into his own pocket and from the sweat of his own toil he has to pay for his home out of his own earnings; yet he is the same man who must bear the burden of building, under this program, a home for somebody else. He has got to pay for this other fellow's home in addition to his own. For that man he builds a home that is probably one and a half or two times as high in value as the home he must live in himself.

Mr. Chairman, I do not believe that meets the test of practicability. As much as we want to clear out our slums, we cannot do it in that way. We have to find a humane, practical way of accomplishing this purpose. It is a pretty hard thing to go to the people of our individual communities and justify doing it on that kind of a basis when we tell them we are going to put this burden upon them. That is one angle to this proposition. I want to call special attention to another feature.

I agree with a great many things stated by the gentleman from Wisconsin [Mr. REILLY]. Under this plan, let us consider a million-dollar slum-clearance project. A local housing authority is formed. We will presume they are going to undertake a million-dollar slum-clearance project. From where do they get the money? Under present law, there is a limited local contribution, and we are discussing today whether or not we shall eliminate that. We say we will operate under a system of annual contributions extending over a period of 60 years. That is the formula. Having applied the formula, where do we come out?

Just apply that formula on a million-dollar project and figure it all out. You will find in the final analysis that the Federal Government has not only provided every penny of the million dollars, which is the original cost of the project itself—the capital outlay for the project itself—but, in addition to that, it has supplied $575,000 more. In other words, when it is all said and done, the Federal Government gives $1,000,000 to the local community through the form of annual contributions with which to pay back the million dollars to the Federal Government, and in addition, the Federal Government gives $575,000 more to the local housing authority to be used by the local housing authority to pay interest back to the Federal Government. I think that is being pretty open-hearted if not pretty open-fisted, without going a point further and saying, as is proposed at the present time, that the Federal Government shall eliminate now this small contribution of 10 percent which is to be made on the part of the local community.

Mr. FARLEY. Mr. Chairman, will the gentleman yield?

Mr. WHITE of Ohio. I yield to the gentleman from Indiana.

Mr. FARLEY. Will the distinguished gentleman make clear what he believes about a split load? If this 10 percent is eliminated, there is a contract between the Government and the Authority and not a third party. If you do not pass this bill as we would like to have it passed, we have three people to deal with. Why not eliminate the third man entirely and give the Government an opportunity to do its best? You know a higher rate of interest will be charged the third party than the first and second parties.

Mr. WHITE of Ohio. There is no question in my mind about that. I believe the gentleman is exactly right about it.

Mr. SIROVICH. Mr. Chairman, will the gentleman yield?

Mr. WHITE of Ohio. I yield to the gentleman from New York.

Mr. SIROVICH. The gentleman has made a very interesting contribution to the discussion. As I understand, this bill has nothing to do with the building of individual homes but has to do only with the clearance of slums and the construction of multiple dwellings.

Mr. WHITE of Ohio. The construction of multiple dwellings is correct. However, they can deal with individual homes if they wish to, if they see fit to approve the loans.

Mr. REILLY. Mr. Chairman, will the gentleman yield?

Mr. WHITE of Ohio. I yield to the gentleman from Wisconsin.

Mr. REILLY. The large majority of homes ordered under the present Authority are individual homes.

Mr. WHITE of Ohio. The gentleman is correct. That has been the experience so far, although the fundamental purpose of the project is slum clearance and the construction of multiple dwellings. My discussion has dealt with the problem in terms of the slum-clearance project as a whole. The comparison of costs I have made is between the house the local citizen lives in and pays for himself and the slum dwelling. It is a comparison of an individual home with a dwelling unit of a slum-clearance project.

The next point I believe is worthy of emphasis in this discussion is the fact that we voted $500,000,000 for this project about 8 months ago. I believe I am correct in saying that to date not a dollar of actual construction has been begun under that original allotment of $500,000,000, yet before they even start actual construction under the original appropriation of funds, after 8 months' existence, they are back here again for a $300,000,000 increase in the amount.

Mr. FARLEY. Mr. Chairman, will the gentleman yield?

Mr. WHITE of Ohio. I yield to the gentleman from Indiana.

Mr. FARLEY. I do not want to take the time of the distinguished gentleman, because I have a lot of respect for his ability, but why does he not tell us why this program has not been accomplished? It is simply because the opposition has at every turn blocked the program. That is why it has not started.

Mr. WHITE of Ohio. Does not the gentleman also believe that one reason for the delay has been that there has been a little game of political manipulation going on as far as some of the housing authorities of the local communities are concerned, with the idea that if they themselves could create a little delay they might come to the Congress and induce Congress to eliminate the local contribution?

[Here the gavel fell.]

Mr. WOLCOTT. Mr. Chairman, I yield 2 additional minutes to the gentleman from Ohio.

Mr. SIROVICH. Mr. Chairman, if the gentleman will yield, will the gentleman explain to the House why that delay in spending the money has been occasioned?

Mr. WHITE of Ohio. I am sorry, but I have yielded a good deal of my time. I want to make just one or two other points in conclusion.

Certainly, if we are going to have any foundation for justifying this program, it seems to me, we must establish some responsibility for the local communities to put up some of this money. How are you going to justify to your people what you have done, as illustrated by the comparison of the homes in which your people live and for which they pay themselves, with the homes they have to build for the other fellow and for which they will also have to pay, unless you at least have some local contribution involved in the bill? Two or three of us have just come from a meeting at the Federal Reserve Board where a Senator and financial expert of the Socialist Party from Sweden was the speaker. I understand the meeting was not "off the record" in any way, so I believe it is perfectly permissible for me to say this. That gentleman was discussing the housing problem in Sweden. It is the Socialist Party that is dealing with the problem there. Someone said to him, and I did not hear it directly, but I believe it has been repeated to me correctly, "Does the Government provide all the money for building your housing projects over there?" He said, "No; we would not think of doing that. We require from 35 to 85 percent local contribution from the individual communities."

Mr. TRANSUE. Mr. Chairman, will the gentleman yield?

Mr. WHITE of Ohio. I yield to the gentleman from Michigan.

Mr. TRANSUE. I was one of those at the meeting, and I asked the question. He said that the only contribution the local community makes is the land, that the land in the larger cities represents a larger contribution than it does in the smaller communities because of the higher land values, and that that is the only contribution the local communities do make. I asked him another question on whether they make a tax exemption or remission on the part of the local communities, and he said they did not.

[Here the gavel fell.]

Mr. WILLIAMS. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. FORD].

Mr. FORD of California. Mr. Chairman, I am going to devote my 10 minutes largely to correcting what I think are impressions given by some of the speakers that are not, in my opinion, in conformity with all the facts.

There is one I want to call attention to particularly. Since the present housing plan is largely based on the British plan, it has been said here that under the British plan the government contributes only one-third. The government contributes all the money in the beginning, but the annual contribution under the British system is 33⅓ percent by the Government, the local unit contributes 16⅔ percent, and the tenants, in rent, pay the other 50 percent. Under the American plan the Federal Government will contribute 36 percent, the local authority 22 percent, and the tenant 41 percent. We are not talking now about the original United States Housing Authority advance for the building; we are talking about the yearly contributions, and I do not believe this was made very clear. I do not believe it was intentional that it was not made clear, but that is what has happened during the course of the discussion.

There is another phase that has been brought up, and I think the gentleman from Wisconsin hit the nail exactly on the head when he said that the amendment proposed will make the act more economical and workable and will get the program going more rapidly.

Now, what is the substance of this amendment? It merely asks that the Government supply all of the money for the building in the beginning, and when the building is constructed the Government will supply a yearly subsidy, the local unit will supply another subsidy in the form of tax remission—and I do not agree with the philosophy that this tax remission is not a substantial thing—and it—the local unit—will supply, in addition to this, the rentals that accrue from the property itself. Handled in this way the program will be expedited, more men will be put to work rapidly, the people who need this type of housing will be promptly housed. If the program has social value, and Congress seems to think it has because it passed a law last year on the subject, then we ought to go ahead and get our housing program going just as rapidly as possible, so that the greatest amount of benefit to the greatest number of people can be accomplished in the shortest possible time.

Mr. Chairman, there have been some things said which would indicate that some of the Members are of the opinion that the United States Housing Authority had not carried out in its entirety the intent and purpose and letter of the statute as it now exists. I do not agree with that view, and in questioning Mr. Straus in the committee I asked these specific questions:

"Was there a 10-percent local contribution being made?" and he said there was.

"Is the local community going to contribute its 20 percent of the annual contribution?" and he said it was.

"Is the amount that has been put up by the Government limited to 90 percent?" The answer was "Yes."

This is in conformity with the general statute as it is written and as it is now on the books, and I do not believe it is quite fair to say that the United States Housing Authority has in anywise violated or stepped aside from the cold letter of the statute.

Another thing I would like to call attention to is this: I would like to say to the gentleman from Ohio that one of the reasons this program has been so slow getting under way is the long and tedious and interminable negotiations that are essential to get it going by reason of that 10-percent barrier. If that 10-percent barrier had not been there, I suppose that half of the projects that have been earmarked would be now under construction.

The third and last word I want to say is this: If this amendment is not adopted there will probably be 10 or 15 or 20 percent of the cities and towns of the United States that will never be able, even though their slum conditions are appalling, to take advantage of this Federal program because of constitutional, statutory, or charter provisions or by reason of the peculiar set-up of their tax structure, which makes it impossible for them in any way, shape, or manner to get the original 10 percent to put up. If the Congress wants this program to be just a mere gesture—a housing bill that does not house—then leave it just as it is. If you want it to be an honest-to-God housing program that will really house the people in the slums of the United States, I plead with you to adopt the amendment removing the 10-percent barrier.

Mr. HAINES. Mr. Chairman, will the gentleman yield?

Mr. FORD of California. Yes.

Mr. HAINES. In the course of the gentleman's study, can he inform the House whether it is possible to erect homes in our large centers of population that may be self-liquidating?

Mr. FORD of California. That is being done under the F. H. A., where they require only 10-percent contribution. But that home becomes the home of the individual when he pays it out. I understand that the F. H. A. has made loans where the monthly payments are something less than $15, but that has nothing to do with this program.

Mr. HAINES. What I had in mind was whether the rentals received from the structure would be sufficient to amortize.

Mr. FORD of California. They would not be, and for this reason: We are building structures that must stand for 60 years. Therefore they have to be built solidly and of the best kind of material.

Mr. HAINES. That answers in part the statement of the gentleman from Ohio [Mr. WHITE] that homes that are being built for two or three thousand dollars are such that we cannot make that comparison in our large centers of population.

Mr. FORD of California. Oh, in California, I can go out in the country and build a lovely 4-room bungalow for $1,500, but how long will it last? Ten or fifteen years. These buildings are being constructed to last for 60 years. Mr. Straus assured the committee that insofar as he is concerned, and he is going to be managing that thing for 5 years, the buildings will be of good material, sanitary, well constructed, and they are going to rent them for from $5.50 per room in New York, down to as low as $2.25 in some regions where the building cost is less.

Mr. HAINES. And that is necessary because of the low income of the tenant?

Mr. FORD of California. Yes; $4.15 is the mean average, and that is $16.60 a month. That is the type of people that we are trying to reach—those of low income who cannot, under present conditions, live in decent quarters.

I have made a careful study of the bill before us and am convinced that it should be passed. I supported it in the committee and am sure that it is a bill in the public interest.

It merits the support of this House, for these reasons:

First, without this bill, which is simply a liberalizing amendment to the United States Housing Act, many cities and municipalities will be barred from participation in the great slum-clearance program.

Second, it makes possible a rapid development of the housing program and the immediate employment of thousands of mechanics and unskilled workers who now tramp the streets of our cities and towns asking only for a chance to work and earn an honest living.

The measure has, I am sure, the unqualified approval of the administration, of organized and unorganized labor, and of that great body of good American citizens who, knowing that slums are a blight on our civilization, applaud our efforts, small though they be as compared to the magnitude of the problem, to exterminate these blighting plague spots that disgrace our cities.

The issue is clear. It is this: Shall we pass this amendment and thus enable many cities and towns to begin slum clearance now, and thus put men to work, to the benefit of all? Or shall we oppose it and thus block many municipalities from taking immediate advantage of the slum-clearance program?

My own city of Los Angeles is desirous of beginning slum clearance. But it is unable to pay the 10 percent.

The reasons for this are that the city tax rate is limited by charter. The city's bonding capacity, based on assessed valuation, is exhausted. The city council has no authority under the charter to vote moneys for this type of activity.

In order to comply with the 10-percent requirement, a long, tedious process, involving a general election for the changing of the charter, would be necessary.

In the meantime the local housing authority would not be able to ask for funds. An election of this type would cost as much or more than the amount involved in the contribution, hence the city would be penalized to the extent of the cost of the election.

I believe I am safe in saying that similar barriers exist in many great cities who will, if the 10-percent requirement is retained, be barred from the benefits of this national program.

Mr. WOLCOTT. Mr. Chairman, I yield 5 minutes to the gentleman from Kansas [Mr. REES].

Mr. REES of Kansas. Mr. Chairman, I do not believe there is a Member of Congress who is not in sympathy with a program that will provide better homes, better surroundings, and accommodations for those of our people who are required to live in the slum dwellings in the crowded districts of our large cities. It is a disgrace that in this great country of ours, with its surplus food, surplus materials, and its surplus labor, that millions of our people live in unsanitary conditions and squalor.

But that situation by itself does not mean, as I see it, that this particular bill should pass Congress. I think this Congress has been extremely liberal in support of Federal aid in various fields of endeavor, and I am not opposed to the granting of Federal aid, so far as it can be and should be granted, to help clear the slums of our big cities. But, lets examine this proposed legislation for a moment. Just a few months ago, at the close of the special session of Congress, with little opposition, this House passed a bill providing for the expenditure of one-half billion dollars of Government money to be used for slum-clearance purposes in the cities of this country. This money, according to the legislation, was to be used in the form of loans, and local municipalities were, under the terms of that bill as I understand it, required to furnish grants or contributions of only 10 percent of the entire cost of the apartment houses which were to be built.

Now, almost before the ink was dry on that document, and before the program is actually started, our own Banking Committee, not unanimously but by a majority, has come back to Congress and asked this House to approve a measure increasing the expenditure already granted by $300,000,000, making a total of $800,000,000 or almost $1,000,000,000; and are further asking that the cities and municipalities not be required to make any contribution whatsoever. I do not think the proponents of this measure are fair in asking the House to pass such legislation. In my judgment, the measure we have passed is more than fair, and is extremely liberal.

Someone has suggested that I may criticize this bill because, after all, none of these funds will be used in my district. That is beside the question. Even though it is a fact that nearly all of the funds provided under this bill will go into four or five of our largest cities—that is not the reason why I should vote against it.

The proposition is unfair to our Government. We have been making grants and subsidies of all kinds, some of them pretty liberal. We have made grants for highways, but those funds were matched by State and local funds. We have made grants for old-age assistance, for public health, for vocational education; but in all cases there was a contribution to match the Federal funds. There is a contribution even in the grants made to farmers, because they are required to withhold part of their lands from certain crop uses, in order to obtain Federal money. If we pass this bill, every city in the United States will be making demands on the Federal Treasury for a part of it. And why not?

Let us go a little further. Under this bill, the Government proposes to hand over to an organization authorized by a municipality, sums of money to build these apartment houses at an expenditure of from $7,000 to $10,000 per family, and then to turn these buildings over to such corporation. The corporation will issue bonds for the entire amount of the expenditure and the Federal Government, in addition thereto, will appropriate a further sum of $40,000,000 per year, over a period of 50 to 60 years. This appropriation is to be used to help pay interest and maintenance on these buildings. Then another thing. I just stated we are advised that these homes are to cost between $8,000 and $10,000.

How many homes are there in your districts that are worth $10,000? I suppose that the average home is worth between $2,000 and $4,000, and yet these same people who own these homes, or use them, are asked not only to maintain the houses in which they live, but to contribute to the building of homes for other people that will cost $8,000 to $10,000. It seems to me that such a proposition is unfair and unsound.

Under this bill today, we not only agree to build these apartment houses, but we further agree to spend more than $2,000,000,000 for interest and expenses. Furthermore, if and when the buildings are paid for, they then become the property of the city or municipality under whose direction they were built. Members of the House, it just is not right. There should be some responsibility on the part of the municipality under a program of this kind, and that responsibility should be a financial one.

Mr. LUCKEY of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. For a question?

Mr. LUCKEY of Nebraska. For an observation. I was in Sweden last fall and had an opportunity to study the housing situation there. The Swedish Government has made a great success of the housing program, greater than any other country in the world today. In Sweden their program is that the Federal Government shall supply 50 percent, the local authorities 25 percent, the contractor 15 percent and the builder 10 percent.

Mr. REES of Kansas. I thank the gentleman for his contribution. The situation in England has been terribly misunderstood, too. Even there, the local authority or municipality guarantees about 60 percent of the cost of erecting the buildings. The municipality itself, in England, helps guarantee the debt. That is not the case under our law.

Under the present law, we are not asking the city of New York, or Chicago, or Philadelphia to underwrite the debt or guarantee the deficit created by the erection of such buildings. There has been some complaint from Members here to the effect that the cities cannot even afford to put up the additional 10 percent. I cannot agree with the proposition. These large cities that are making the complaint this afternoon, right now have under construction projects of various kinds, such as the building of parks, auditoriums, municipal buildings, and improvements of streets, together with other improvements and buildings, all of which are well and good. They could easily, if they had the will and desire to do so, direct part of those funds toward the building of dwellings for the poor people of their cities. Instead of doing that, they deem it much easier to come to the Congress of the United States and ask that they be given permission to write a check on the United States Treasury for the entire 100 percent amount of the funds required for such purpose.

These municipalities should not be making these demands this afternoon, especially in view of the condition of our Treasury. It is manifestly unfair and unreasonable.

Mr. SIROVICH. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count.

Mr. SIROVICH. Mr. Chairman, I withdraw the point of order.

Mr. WOLCOTT. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN (after counting). Sixty Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 97]

Allen, Del.	Bulwinkle	Clark, Idaho	Disney
Andrews	Byrne	Clark, N. C.	Ditter
Arnold	Caldwell	Cochran	Dockweiler
Atkinson	Cannon, Wis.	Cole, Md.	Doughton
Barden	Carter	Crosby	Douglas
Bernard	Cartwright	Curley	Drewry, Va.
Boylan, N. Y.	Celler	Deen	Eaton
Brewster	Champion	Delaney	Edmiston
Buckley, N. Y.	Chapman	Dirksen	Engel
Faddis	Lord	O'Connor, Mont.	Stack
Frey, Pa.	Lucas	O'Day	Steagall
Gasque	Luecke, Mich.	O'Leary	Sullivan
Gifford	McClellan	O'Toole	Sumners, Tex.
Gray, Pa.	McGranery	Pace	Sweeney
Green	McGroarty	Patman	Taber
Greenwood	McLean	Peterson, Fla.	Taylor, Colo.
Griswold	McMillan	Pfeifer	Thurston
Hancock, N. Y.	McReynolds	Pierce	Tobey
Hancock, N. C.	Magnuson	Polk	Vinson, Ga.
Harrington	Mahon, S. C.	Randolph	Wadsworth
Hennings	Martin, Colo.	Reed, N. Y.	Wearin
Hildebrandt	Maverick	Rich	Weaver
Jarrett	Mitchell, Ill.	Richards	Wene
Kelly, Ill.	Mitchell, Tenn.	Sabath	Whelchel
Kelly, N. Y.	Mosier, Ohio	Sacks	White, Idaho
Kennedy, Md.	Mouton	Schulte	Whittington
Kerr	Murdock, Ariz.	Scott	Wood
Kniffin	Nelson	Smith, Maine	
Lamneck	Norton	Smith, Okla.	
Lemke	O'Connell, Mont.	Somers, N. Y.	

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. PARSONS, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 10663) to amend the United States Housing Act of 1937, and finding itself without a quorum, he had directed the roll to be called, when 308 Members answered to their names, a quorum; and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its session.

Mr. WOLCOTT. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, I understand that within the hour the Senate, having under consideration the relief bill, has adopted as an amendment to that bill provisions amending the Housing Act of 1937.

I wish before we proceed further in the discussion of these amendments that we might have the benefit of the amendments which have been adopted in the Senate, because I dare say when the message comes to this House that the Senate has passed the Relief Act, and it becomes apparent that the Senate has included amendments to the Housing Act in the Relief Act, this bill, if it has not already been passed or defeated by the House, will be withdrawn by the leadership. This only adds to the complexity of an already complex situation. In the vernacular, the United States Housing Act of 1937 is a mess, and the Banking and Currency Committee of this House can take no particular pride in any contribution which it has made during this session of Congress in straightening it out.

When the conference report came back from the Senate in August of 1937 I took the floor here and commented upon the fact that all legislation was a matter of compromise; that we wanted to start this great reform; that it would take time to work out all of the details; that we should set up this Housing Authority and come back at this session of the Congress and, in the light of the experience of the Authority in the meantime, perfect that bill.

In studying that act, in anticipation of these debates, I am literally ashamed and humiliated that the House Banking and Currency Committee, the Senate committee, the House and Senate conferees, and this House should have been guilty of writing such an atrocity as the United States Housing Act of 1937 now appears to be. This whole matter should be recommitted to the Banking and Currency Committee of this House for full and intelligent consideration.

Now, what did we intend to do? For reference I call attention to sections 9, 10, and 11 of the United States Housing Act of 1937, Public, No. 412, of the Seventy-fifth Congress. You will recall that that act was approved on September 1, 1937.

These three sections intended to set up three different methods of relief. Under section 9, the Authority—and I refer to the Housing Authority—was authorized to make loans to public housing agencies. Under section 10 of the act the Authority was authorized to make annual contributions for construction of slum-clearance and low-cost dwelling projects. Under section 11 of the act the Authority was authorized to make grants to localities for the purpose of constructing these projects.

So we have three methods of relief contemplated under the act. The first is a loan, the second is an annual contribution coupled with a loan, and the third is a grant coupled with a loan.

You will recall the discussion at the time that bill was passed in which the Banking and Currency Committee of this House, not understanding what was in the bill, gave positive assurance to this House and to the country that the localities must put up 10 percent of the cost before the loan would be available.

Mr. SIROVICH. Will the gentleman explain to us what is the difference between a contribution and a grant? The gentleman has just stated there were three methods.

Mr. WOLCOTT. In the case of a loan, under the wording of the act as we now understand it, there is no restriction whatsoever upon the amount of the loan. The loan may be made for 100 percent of the acquisition and the development cost. I called attention to that when this bill was being considered last August, and I was overruled by the rest of the committee, who assured this House that I was wrong and that a loan could be made for only 90 percent. We now find that I was right. I do not take any particular pride in saying "I told you so" in that particular. But the Federal Housing Administrator has interpreted this act in the manner in which I understood it, so that he is making 100-percent loans.

Mr. TRANSUE. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. Yes.

Mr. TRANSUE. With respect to the question asked me yesterday, with regard to the act, it does state that 90-percent loans are what the Federal Authority can make.

Mr. WOLCOTT. If the gentleman will recall, yesterday when he was addressing this Committee I asked him if he would cite from the act any limitation upon the amount which the Authority might loan, and I wish the gentleman in the few minutes remaining in this debate would go through the act carefully and cite to me any limitation in this act upon the amount that the Administrator can loan, except when the loan is in connection with a grant or an annual contribution, and then it is limited to 90 percent; but in the case of an outright loan there is absolutely no limitation upon the amount that the Administrator can loan except that it cannot be more than the development, acquisition, and administration cost.

Mr. TRANSUE. I cite the gentleman to section 9 of the act, which states that in no event shall said loans exceed 90 percent of such cost.

Mr. WOLCOTT. Will the gentleman read the whole of that sentence?

Mr. TRANSUE. "Where capital grants are made"——

Mr. WOLCOTT. There you are—where capital grants are made, the loan shall not be more than 90 percent. What is the next sentence?

Mr. TRANSUE. "But in no event shall said loans exceed 90 percent of such cost."

Mr. WOLCOTT. That is where capital grants are made. Now read sentence No. 3.

Mr. TRANSUE. It says:

> In the case of annual contributions in assistance of low rentals * * * the total of such loans on any one project, and in which the Authority participates, shall not exceed 90 percent of the development or acquisition cost of such project.

Mr. WOLCOTT. Yes; in case of annual contributions in which the Authority participates, the loan shall not exceed 90 percent.

Mr. TRANSUE. It is in the case of contribution.

Mr. WOLCOTT. Now read the first sentence.

Mr. TRANSUE. As I see it it is 90 percent and not 100 percent.

Mr. WOLCOTT. I shall read the first sentence. It reads as follows:

> The Authority may make loans to public-housing agencies to assist the development, acquisition, or administration of low-rent housing or slum-clearance projects by such agency.

If I understand the English language, there is no limitation in that sentence upon the amount of the loan that the Administrator may make, although it was the clear intent of Congress, and was called to the attention of Congress at that time, to restrict the loans to 90 percent. Yet the law did not do it.

Mr. REILLY. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. Yes.

Mr. REILLY. Has the present Authority loaned in excess of 90 percent?

Mr. WOLCOTT. I believe the testimony is that the Authority has been loaning up to 100 percent, and that is the reason why the committee offered an amendment to make the system uniform, because in some instances the Administrator has been loaning 100 percent and in other instances he has been confining the amount of the loan to 90 percent. It was thought that he might have been discriminating between these projects, and I think we should remove all possibility of discrimination from this bill. I think we should make it uniform, but I think we should make it uniform under the clear intent of Congress and restrict these loans to 90 percent, because if we do not do that, what do you get? You get resettlement, and nothing more or less than resettlement. Personally I cannot see the logic of the Federal Government putting up 100 percent of the cost of the construction of these projects, and still allowing the State authorities to administer that money.

If the Federal Government is going to build these projects, then they should be built as they were built under Mr. Tugwell as resettlement projects, but the Federal Government has shown itself unqualified to build these low-cost housing projects, and in that particular let me call attention to the per unit cost of the resettlement projects, which were built by the Federal Government. The per unit cost in the Greenbelt project was $16,182. How many Members of Congress with a gross income of $10,000 live in a home costing $16,000? Let us take the case of Arthurdale. The per unit cost there was $12,121. Hightstown, per unit cost, $20,163. How many Members of Congress drawing a salary of $10,000 live in a house the assessed valuation of which is $20,163? Newport News, the per unit cost was $9,233.

Mr. FISH. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. Yes.

Mr. FISH. Are these unit costs of $16,000 and $14,000 to take care of slum clearance also?

Mr. WOLCOTT. I understand that the resettlement was created for the purpose of providing low-cost dwellings for people who could not afford to rent at high rates.

Mr. FISH. I just wanted to know whether they were to take care of slum clearance or Federal Government employees.

Mr. WOLCOTT. They have been occupied by Federal employees in some cases.

Mr. SIROVICH. Are these individual homes or multiple dwellings?

Mr. WOLCOTT. They are multiple units.

Mr. PHILLIPS. Will the gentleman tell me how much that figures per room?

Mr. WOLCOTT. No; I cannot tell the gentleman offhand. I can give the gentleman some idea about how much it runs per room where P. W. A. housing projects have been leased to the United States Housing Authority.

Mr. SIROVICH. What is that?

Mr. WOLCOTT. They average, as I look through the list here of several of them, about $6.50 a room. I see one here at $7.33 in Atlanta, Ga. I see another at $6.75, one at $6.58, one at $5.18. I think they would average about $6.50 a room.

[Here the gavel fell.]

Mr. WOLCOTT. Mr. Chairman, I yield myself 10 additional minutes.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. CRAWFORD. May I make the observation that this whole subject is so confusing to those who read the RECORD that the gentleman should state that when he refers to

unit cost he means the cost of building the rooms necessary to house a family.

Mr. WOLCOTT. That is right. Unit cost does not mean the cost of the apartment building; it means only the cost of the 2, 3, 4, or 5 rooms which is the unit in which a family lives.

I pass now to another subject. There is a great deal of confusion with respect to how this bill would operate. We have heard much talk about the contribution by the localities. When there are annual contributions the locality must put up 20 percent in cash or tax remissions, or tax exemptions, but in the case of grants, they must put up 20 percent in cash, lands, or the value, capitalized at the going Federal rate of interest of community facilities or services for which a charge is usually made. Why did we authorize them to put in community facilities or services for which a charge is usually made under the section with respect to grants, but did not authorize them to do so in the section with respect to annual contributions? Simply because this legislation has never been given the consideration which should have been given to it to iron out these incongruities and inconsistencies which appear in the act.

Mr. SIROVICH. Will the gentleman explain under what circumstances and contributions grants are given? We understand the philosophy of loans.

Mr. WOLCOTT. I will in just a minute. Let me follow through on this thought. I have said that we gave this House positive assurance that the localities would have to put up 10 percent. You will find the conference report on the original bill on page 9333 of the RECORD, I think, under date of August 21 of last year. We had this to say in our conference report, yet see how wrong we were, how misled this House was by reason of the language of that conference report:

> The conference agreement limits all loans to 90 percent of the cost of the projects and provides that loans be secured in such manner as the Authority deems advisable.

Relying upon that conference report the worthy, amiable, and efficient and able chairman of the Committee on Banking and Currency had this to say on page 9634 of the RECORD:

> The conference agreement limits all loans to 90 percent of the cost of the project.

This House, fully understanding that it was the clear intent of the Congress to limit loans to 90 percent, voted for that bill. If we had not given this House at that time the positive assurance that these loans were limited to 90 percent, you and I and all of us know this bill would not have become law.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. SPENCE. The gentleman has placed his construction on section 9. I think it is very important that we construe this section properly. It reads:

> Where capital grants are made pursuant to section 11, the total amount of such loans outstanding on any one project and in which the Authority participates shall not exceed the development or acquisition costs * * * but in no event shall said loans exceed 90 percent of such cost.

That is where capital grants are made. The act continues:

> In the case of annual contributions in assistance of low rentals, as provided in section 10, the total of such loans outstanding on any one project and in which the Authority participates shall not exceed 90 percent of the development or acquisition cost of such project.

I cannot understand why that is not very plain.

Mr. WOLCOTT. If the gentleman in his own time will read sentence No. 1 of section 9, with respect to loans, he will find where the Authority can make 100-percent loans.

In respect to annual contributions, I call the gentleman's attention to subsection (b) of section 10:

> Annual contributions shall be strictly limited to the amounts and periods necessary, in the determination of the Authority, to assure the low-rent character of the housing projects involved. Toward this end the Authority may prescribe regulations fixing the maximum contributions available under different circumstances, giving consideration to cost, location, size, rent-paying ability of prospective tenants, or other factors bearing upon the amounts and periods of assistance needed to achieve and maintain low rentals.

If that is not an exception to the general provisions of the act, then I do not know how to read law. Of course, I will admit to the gentleman that he is a better lawyer than I am, but as I read that it gives additional authority to make 100-percent contributions.

Mr. SPENCE. May I suggest to the gentleman that annual contributions are not loans?

Mr. WOLCOTT. No.

Mr. SPENCE. The only thing referred to there is loans and they are limited to 90 percent. It is not a question of who is the good lawyer.

Mr. WOLCOTT. All right, if the annual contribution is not a loan, then I am more correct than I thought I was in stating that the loan in connection with the annual contribution should not be more than 90 percent.

Mr. SPENCE. I think the gentleman must be in error.

Mr. SIROVICH. We are all mixed up. Will the gentleman explain it?

Mr. WOLCOTT. The gentleman is no more mixed up than is every citizen of the United States mixed up with respect to this bill. The gentleman is no more mixed up than is every member of the Committee on Banking and Currency mixed up with respect to this bill. I beseech you to give us a chance in the Committee on Banking and Currency to draft a bill. Let us have this bill back and we will sit down, study it over, and try to present a bill that means something.

Mr. SIROVICH. Explain the contributions.

Mr. WOLCOTT. I am going to explain capital grants. The law provides the Administration can make a grant of 25 percent of the project; under another section of the bill the President may grant another 15 percent out of P. W. A. money, or there may be made an outright grant to locality aggregating 40 percent. My interpretation of the law as it is now is that the localities must put up 10 percent.

Mr. SIROVICH. After they get a loan?

Mr. WOLCOTT. Wait a minute. There is a 25-percent grant by the Authority, a 15-percent grant by the P. W. A. under Executive order of the President—maybe the W. P. A.—relief funds—10 percent under the prohibition in the act against any loan being made for a larger amount than 90 percent, and 90 percent of the balance would make $50,000,000.

Let us take a million-dollar project. A grant of 25 percent may be made by the Authority and another grant of 15 percent may be made by the President. That is $400,000. The locality must put up 10 percent, $100,000 more, which would make 50 percent of the whole, or $500,000. Then the Authority may lend to that project $500,000 including annual contributions. They work that out so a contribution is made yearly at not to exceed 3½ percent and each locality must put up 20 percent in addition to that.

I have deliberately avoided calling the gentleman's attention to the contribution which the locality must make for facilities, and so forth, for which a charge is made. I do not know what form this legislation is going to take and nobody else does. I am more perplexed than ever about it. I hope at the proper time you will send this bill back to the Committee on Banking and Currency in order that something intelligent may be brought out here for you to consider.

Mr. FISH. Will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from New York.

Mr. FISH. The gentleman states that this ought to be referred back to the committee, and I am in thorough accord with him. Will the gentleman state to the House that this bill was reported out by a minority vote?

Mr. WOLCOTT. I understand the gentleman already has done that. There is no particular reason why the amount available should be increased. Taking the Administrator's own figures, all of the earmarkings that he could gather together, which appear on page 17 of the report, if every project for which he has earmarked funds is constructed within

this calendar year, he will have spent only $310,998,000 of the initial $500,000,000 he has to spend. How can he or anybody else justify coming in here and asking for this elbow room of $10,000,000 with respect to grants and $300,000,000 with respect to total authorization? He cannot use it anyway. It might as well be earmarked for housing as for any other purpose, so I have no particular objection to that, but there is no particular justification for increasing these amounts at this particular time.

Mr. VOORHIS. Will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from California.

Mr. VOORHIS. I want to try to understand about these 100-percent loans. Does the gentleman mean if there is no annual contribution nor any capital grant, then the Authority may lend 100 percent?

Mr. WOLCOTT. I know it.

Mr. VOORHIS. That is on condition that no annual contribution or subsidy is made, and no capital grant is made?

Mr. WOLCOTT. Yes.

Mr. VOORHIS. And if it were to lend to the Housing Authority and they must pay it out of their own funds, they can lend 100 percent?

Mr. WOLCOTT. There can be no deficiency judgment against any local housing authority because it is a State instrumentality. If the Government makes a loan of 100 percent it has to take its chance on getting the money back out of rentals, and out of rentals only.

[Here the gavel fell.]

Mr. GOLDSBOROUGH. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. McKEOUGH].

Mr. KOPPLEMANN. Mr. Chairman, I make the point of order a quorum is not present.

The CHAIRMAN. The Chair will count.

Mr. KOPPLEMANN. I withdraw the point of order, Mr. Chairman.

The CHAIRMAN. One hundred and three Members are present, a quorum.

Mr. McKEOUGH. Mr. Chairman, we have listened for several hours to a discussion that I am confident has caused greater confusion as a result than the Members of the House suffered from before the discussion commenced. I merely want to point out to the House that there was a great division of opinion among the members of the Committee on Banking and Currency in relation to what action the committee should suggest to the House on the amendment suggested to the committee by the Administrator of the National Housing Authority. We listened with considerable interest to Mr. Straus for 3 or 4 days. I am confident that anybody who is unprejudiced and devoid of pronounced partisanship would be willing to agree with me when I say that based on his testimony and his intellect, as evidenced by what he had to offer, and by his familiarity with the great problem of slum clearance, Mr. Straus has the question of administering this great problem in our country well in hand.

Considerable confusion has come about in the last hour or two as to the amount of money the Federal Treasury has advanced in the way of loans for those nine projects, contracts for which have been entered into by the National Housing Authority. In testifying before the committee, Mr. Straus stated that they had advanced 90 percent of the loan. I am quite sure there is no one in the House, surely no one on the Committee on Banking and Currency, who has any reason to question the integrity of the distinguished gentleman who administers the affairs of the National Housing Authority. I am sure, further, that what he offered was based on his experience, and there is no Member of the House, and I am quite sure no Member of the Senate, who has had as wide an experience, or has devoted as long a time to the problem of slum clearance as the Administrator of that activity, selected by President Roosevelt, Mr. Nathan Straus.

You will recall that on yesterday when the distinguished gentleman from Missouri addressed this body he indicated that in England the loan advanced by the equivalent in England of our Federal Treasury was not 100 percent of the project cost. I rise to call his attention to the fact that when Mr. Straus addressed the committee, he repeatedly indicated that 100 percent of the loan was advanced in England. With a view to being fair to Mr. Straus, who, because of the rules of the House is unable to appear in his own defense, I inquired of him last night whether he had correctly advised the committee with reference to the procedure in England. He sent me a memorandum, and in the memorandum, which I will ask leave to insert in the RECORD, he states the following and refers to a chart that is reproduced on page 137 of the hearings before the Committee on Banking and Currency on the bill, H. R. 10663, superseding H. R. 10417, a bill to amend the United States Housing Act of 1937. If you have a copy of those hearings I would urge that you take a look at that chart as I read from the memorandum submitted by Mr. Straus:

> Finally, the chart shows that, even though the local governments pay a smaller share of the annual subsidy in England than in America, the English National Government today, under the most recent housing act, actually loans through the public works loan fund to local authorities up to 100 percent of the cost of a housing project for 60 years, instead of 90 percent, as under the terms of the United States Housing Act. This is no new, untried proposition. The public works loan fund has existed for almost 90 years, and it has been making 100-percent loans to local authorities on housing projects on a wide scale ever since the war.

I am quite sure that Mr. Straus was correctly informed at the time of his appearance before our committee, when he repeatedly stated that in England they advanced 100 percent of the loan. I apologize to the Members of the House for having devoted so much of the limited time allotted to me to speak on this measure in referring to the procedure in England. I am one who believes that the only benefit we might gain in America in meeting the problems that are uniquely American is that limited benefit that may come to us who may investigate the activities of other national governments with a view of applying the portion of that experience that may be applicable to the problems confronting this Government in the year of our Lord 1938.

I want it to appear in no way that I pay any particular compliment to England. I am quite sure those of you who may know me, realizing my ancestry is Irish, must acknowledge that I am not disposed to praise the English Government. Nevertheless, there is this large experience available, and we have gained much from England's experience, I take it, from the testimony of Mr. Straus with relation to the problem of slum clearance in our own country.

There seems to have been some confusion as to the system in Sweden, judging by what has been stated by previous speakers, but I am confident there has been some further misunderstanding by what may have been added by those who spoke on the floor, with reference to what the procedure in Sweden may be. Sweden, like the United States, has separate approaches to the slum-clearance problem and the housing problem. Sweden has low-dividend corporations in which the government participates in the way that was outlined by the gentleman from Michigan [Mr. TRANSUE], who advises me that he was the gentleman who at the meeting of the Federal Reserve Board this morning asked questions of the distinguished visitor to our Nation, Professor Myrdal, who spoke to those assembled in the Board room. We, too, have a Federal Housing Administration. Its work has been great in accomplishment and certainly unique, in the time allowed to it, in the accomplishments that have been achieved. However, I say to those of you who do not know the slum problem as do we who are representing large city districts of this Nation that the Federal Housing Administration through its guaranteed mortgages assisting private capital engaged in housing activities will be unable to meet the slum problem of the great cosmopolitan cities of this country.

We who live in those cities feel we have no need to offer any apology for coming to the Federal Treasury and asking that the Federal Treasury treat the slum-clearance problem as a national issue, and cooperate with the municipal gov-

ernments to the point of advancing the full 100-percent loan in order that the municipality may assist in driving out this disease- and crime-breeding condition from its territorial limits.

May I say in conclusion, Mr. Chairman, these are people who are involved here, the kind of people that when our country's call goes forth to defend the Nation respond in the same degree as the people living in other sections of the Nation, and I hope that this House will advance the 100-percent loan by adopting the amendments brought in by a majority report of the Banking and Currency Committee. [Applause.]

Mr. GOLDSBOROUGH. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. PARSONS, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 10663) to amend the United States Housing Act of 1937, had come to no resolution thereon.

Mr. SIROVICH. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. SIROVICH. What is to be the future of this bill in the House in view of the fact we have come to no resolution thereon?

The SPEAKER. The bill would be the unfinished business.

Mr. MICHENER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MICHENER. As I understand, this bill has been attached as a rider to the relief bill in the Senate within the last few minutes. If that is true, the bill will go to conference before another committee and the committee which has given attention to the bill will have no further jurisdiction and will be shunted off; is not that correct?

The SPEAKER. The Chair has no official knowledge of anything that his transpired in the Senate.

EXTENSION OF REMARKS

Mr. LUCE asked and was given permission to revise and extend his own remarks in the RECORD.

Mr. WOODRUFF. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. JOHNSON of Oklahoma. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including therein a speech recently delivered at Nashville, Tenn., by the Secretary of State, Hon. Cordell Hull.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

AMENDMENT OF MERCHANT MARINE ACT OF 1936

Mr. BLAND submitted a conference report and statement on the bill (H. R. 10315) to amend the Merchant Marine Act of 1936, to further promote the merchant marine policy therein declared, and for other purposes.

FOOD AND DRUGS BILL

Mr. PETTENGILL. Mr. Speaker, at the request of the gentleman from Caliornia [Mr. LEA], the chairman of the Committee on Interstate and Foreign Commerce, I ask unanimous consent to take from the Speaker's table the bill (S. 5) to prevent the adulteration, misbranding, and false advertisement of food, drugs, devices, and cosmetics in interstate, foreign, and other commerce subject to the jurisdiction of the United States, for the purposes of safeguarding the public health, preventing deceit upon the purchasing public, and for other purposes, with House amendments, insist upon the House amendments, and agree to the conference requested by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Indiana? [After a pause.] The Chair hears none, and appoints the following conferees: Mr. LEA, Mr. CHAPMAN, Mr. COLE of Maryland, Mr. PETTENGILL, Mr. PEARSON, Mr. MAPES, Mr. REECE of Tennessee, and Mr. HALLECK.

DELIVERY OF OBSCENE MATTER BY MAIL

Mr. MEAD. Mr. Speaker, by unanimous consent of the Committee on the Post Office and Post Roads, I ask unanimous consent that the committee be discharged from further consideration of the bill (H. R. 9786) providing a penalty for anyone who shall knowingly cause obscene matter to be delivered by mail or to be delivered at the place at which it is directed to be delivered, and that the bill be laid on the table.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman tell us what this bill is?

Mr. MEAD. A Post Office Department bill. We have two such bills before our committee with regard to obscene literature. We are amending one and laying the other on the table.

The SPEAKER. Is there objection?

Mr. MAPES. Mr. Speaker, I reserve the right to object. This is a rather unusual request. As I understand it, the gentleman from New York [Mr. MEAD], chairman of the Committee on the Post Office and Post Roads, asks to have his committee discharged from consideration of a bill and have it lie on the table. Why not keep it in the committee without taking any action upon it as is the usual practice.

Mr. MEAD. The committee desires to perfect a bill and to hold hearings. This pending bill involves a matter that will attract a lot of opposition, particularly from those who are in favor of and those who are opposed to birth control. We do not want to go into that subject. We want to take up the subject of obscene literature alone. If we have these two bills pending, we will get into endless controversy, as we did once before. We want to avoid that situation so that we may be able to agree on constructive legislation.

Mr. MAPES. Has the gentleman any precedent for the request that he is submitting?

Mr. MEAD. I discussed the matter with the Parliamentarian, and it was suggested that this procedure be followed. The committee, by unanimous consent, authorized the withdrawal of the bill. I was informed that the proper parliamentary procedure was to ask that the bill be laid on the table, which would take it out of circulation and controversy as well.

Mr. MAPES. The gentleman has not quite answered my question. Has the gentleman any precedent for the request that he has submitted?

Mr. MEAD. Only the reliable information as to proper parliamentary procedure.

Mr. MAPES. Is it just a question of avoiding controversy? It seems to me a very unusual request to submit that the committee be discharged from further consideration of a bill pending before it, and that that bill be returned to the House and be placed on the Speaker's table. Personally I do not recall any precedent for such action.

The SPEAKER. If the gentleman will permit, that is not quite the request. The gentleman does not ask that it lie on the Speaker's table. The gentleman asks that the bill be laid on the table.

Mr. MAPES. May I ask the Speaker what the distinction is between the two requests?

The SPEAKER. A bill lying on the Speaker's table is subject to subsequent action, while a bill that is laid on the table is finally disposed of.

Mr. MAPES. Does not that prevent the introducer of a bill getting consideration of it by the committee to which it is referred?

The SPEAKER. Under this unanimous-consent request submitted by the gentleman from New York, the committee would be entirely absolved from any further consideration of the bill.

Mr. MEAD. Furthermore, I say to the gentleman that this bill was more or less introduced by mistake. As chairman of the committee I originally introduced the two bills by request. Both bills pertain to the same subject, but one encourages controversy which we desire to avoid. It is a controversy foreign to the question we desire to consider at this time.

Mr. MAPES. Who is the introducer of the bill?

Mr. MEAD. As chairman of the committee I introduced the bills by request. They are departmental bills.

Mr. MAPES. I do not know that I shall object, but it seems to me a rather unique proceeding.

Mr. MEAD. I think it will be helpful in the consideration of the matter.

The SPEAKER. Is there objection?

Mr. DOWELL. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. DOWELL. Will this bill after it is laid on the table be subject to be called up?

Mr. MEAD. It will not. It will have to be reintroduced.

Mr. DOWELL. Then the gentleman intends to kill the bill by laying it on the table?

Mr. MEAD. Yes, that is correct and then to consider a somewhat similar bill which we want to take up by itself without having this other measure pending.

Mr. DOWELL. And which takes the place of this bill?

Mr. MEAD. That is correct.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MEAD. Mr. Speaker, while these bills were originally prepared by the Department and were introduced by me as chairman of the committee for consideration by our Committee on the Post Office and Post Roads, I had in mind a demand for some such legislation resulting from a newspaper campaign against filthy literature.

This campaign was effectively waged in my home city of Buffalo, and I understand it has spread to many other cities throughout the United States.

In this legislation, which we are perfecting, we hope to direct our attack against that class of mail which is condemned on all sides—mail agreed by all to be unfit for distribution, obscene, lewd, lascivious, filthy letters, pamphlets, and packages not requiring a second-class mailing permit, but sent into the homes of the country to our young girls and boys.

The bill in its present form will effect no change in the law as it pertains to newspapers and periodicals which are entered by the Post Office Department for second-class mail privileges. Under existing law the Department exercises sufficient control over such publications by reason of the requirements governing the issuance of second-class mail permits. It is the sealed type of mailings requiring no permit which will be dealt with in this measure.

On that subject we expect the cooperation of mail users generally, as well as all agencies interested in purging the mails of lewd and lascivious literature.

PROCEDURE IN CONGRESSIONAL INVESTIGATIONS

Mr. TOWEY. Mr. Speaker, I ask unanimous consent for the present consideration of House Joint Resolution 699, to amend sections 101, 102, 103, and 104 of the Revised Statutes of the United States relating to congressional investigations, which I send to the desk.

The SPEAKER. The Clerk will report the joint resolution.

The Clerk read as follows:

Resolved, etc., That sections 101, 102, 103, and 104 of the Revised Statutes of the United States are hereby amended to read as follows:

"SEC. 101. The President of the Senate, the Speaker of the House of Representatives, or a chairman of any joint committee of the two Houses of Congress, or of a committee of the whole, or of any committee of either House of Congress, is empowered to administer oaths to witnesses in any case under their examination.

"SEC. 102. Every person who having been summoned as a witness by the authority of either House of Congress to give testimony or to produce papers upon any matter under inquiry before either House, or any joint committee of the two Houses of Congress, or any committee of either House of Congress, willfully makes default, or who, having appeared, refuses to answer any question pertinent to the question under inquiry, shall be deemed guilty of a misdemeanor, punishable by a fine of not more than $1,000 nor less than $100 and imprisonment in a common jail for not less than 1 month nor more than 12 months.

"SEC. 103. No witness is privileged to refuse to testify to any fact, or to produce any paper, respecting which he shall be examined by either House of Congress, or by any joint committee of the two Houses of Congress, or by any committee of either House, upon the ground that his testimony to such fact or his production of such paper may tend to disgrace him or otherwise render him infamous.

"SEC. 104. Whenever a witness summoned as mentioned in section 102 fails to appear to testify or fails to produce any books, papers, records, or documents as required, or whenever any witness so summoned refuses to answer any question pertinent to the subject under inquiry before either House, or any joint committee of the two Houses of Congress, or any committee or subcommittee of either House of Congress, and the fact of such failure or failures is reported to either House while Congress is in session, or when Congress is not in session, a statement of facts constituting such failure is reported to and filed with the President of the Senate or the Speaker of the House, it shall be the duty of the said President of the Senate or Speaker of the House, as the case may be, to certify, and he shall so certify, the statement of facts aforesaid under the seal of the Senate or House, as the case may be, to the appropriate United States attorney, whose duty it shall be to bring the matter before the grand jury for its action."

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman kindly state what changes are brought about?

Mr. TOWEY. Under existing statute law there is no right to examine witnesses under subpena and to punish for contempt. An examination of the law discloses that, while individual committees of the House or Senate have the power to examine witnesses and to punish for contempt, there is no provision for a joint committee of both Houses to do this. The resolution seeks to correct it.

Mr. MARTIN of Massachusetts. Does it grant any power to this joint committee that is not held by any standing committee at the present time?

Mr. TOWEY. None; and it is identical with the powers given to standing committees of the House now under existing law. It merely allows joint committees the same power.

Mr. MARTIN of Massachusetts. To get this power you have to have a resolution signed by the President.

Mr. TOWEY. That is not the purpose. The joint resolution will accomplish the purpose, as I understand. It requires the President's signature, but once the committee is constituted it has the power to examine witnesses under subpena, powers which are enjoyed by other committees of the respective Houses.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. TOWEY. I yield.

Mr. MICHENER. This resolution simply accords to joint committees the same right now enjoyed by other committees of both bodies.

Mr. TOWEY. That is a correct statement.

Mr. MICHENER. That is all there is to it.

Mr. TOWEY. That is all.

Mr. BOILEAU. Mr. Speaker, reserving the right to object, as I understood the reading of the resolution, it provides that the legislative committees of the House can subpena witnesses.

Mr. TOWEY. That is existing law.

Mr. BOILEAU. Does existing law provide that the regular legislative committee can do so without special authorization?

Mr. TOWEY. That is provided by sections 102, 103, and 104 of the present Revised Statutes.

Mr. BOILEAU. Does the gentleman know of any instance where that power has been exercised by legislative committees of the House?

Mr. TOWEY. No; I am sorry. My experience does not go back that far; but I yield to the gentleman from New

York [Mr. O'CONNOR], the author of the resolution, to state whether such be the case.

Mr. O'CONNOR of New York. This proposal does not apply to standing committees of the House. Over a year ago we amended this law to provide for circumstances arising when Congress was not in session where the special committee could go before the United States district attorney in a particular district to hold a witness in contempt.

Mr. BOILEAU. Is that generally applicable or is it limited to one particular committee?

Mr. TOWEY. Any committee.

Mr. O'CONNOR of New York. I introduced this resolution for the reason that we recently discovered that a joint committee did not have the powers of a special committee of the House or a special committee of the Senate. The only change in existing law is the insertion of the words "or any joint committee of both Houses of Congress." That is the only change whatsoever.

Mr. BOILEAU. If that be the only change why could not the resolution be simplified to say simply to add to these sections "or any joint committee of both Houses of Congress"?

Mr. TOWEY. That is the only change made.

Mr. BOILEAU. I am perfectly willing to accept the change, but it seems strange that it takes such a long resolution to make such a simple change.

Mr. O'CONNOR of New York. There were three or four sections that had to be clarified, and this is the simplest way of doing it.

The distinguished gentleman from New Jersey may have mistakenly made a statement here that might not be entirely in accord with the situation. You can, of course, legislate special powers to committees by passing a law. We want to avoid that. We want to have congressional investigations by concurrent resolutions passed by both Houses of Congress. That is the way it always should have been done; but to do that and to avoid passing a law, this House joint resolution would have to be passed. We amend the existing law so that all congressional investigating committees have similar powers. The joint committees will have the same power of subpena as the other special committees of either House.

Mr. BOILEAU. I agree with the gentleman that a joint committee should have the same power of subpena that the regular legislative committees have. I submit, however, that in the 8 years I have served in this House I have never known of a legislative committee subpenaing a witness. I would be glad to know if they have.

Mr. TOWEY. Every committee subpenas witnesses.

Mr. O'CONNOR of New York. I have been chairman of a special committee that subpenaed witnesses.

Mr. BOILEAU. Yes; special investigating committees have the subpena power, but not the standing committees.

Mr. O'CONNOR of New York. A standing committee has no power of subpena except under a special rule.

Mr. BOILEAU. That is exactly what I said except that I used the phrase "legislative committee." I understand, however, that legislative committee and standing committee are the same. I said legislative committee.

I asked whether or not a legislative committee now has the power of subpena and I was answered in the affirmative.

Mr. O'CONNOR of New York. Oh, no, it has not.

Mr. BOILEAU. That is the point I am trying to bring out.

Mr. O'CONNOR of New York. The standing committees often come to the Rules Committee and ask for this special power. For instance the Committee on the District of Columbia did that a few years ago in connection with the crime investigation, but the standing committees do not have that power, as a matter of right. This proposal only retards special committees of Congress which almost invariably have the subpena power given to them in the resolutions creating them.

Mr. BOILEAU. That is what I understood the law to be, but when I asked the question the answer was to the effect that at the present time under existing law the legislative committees of the House have the power of subpena. There is no change in respect to the legislative committees?

Mr. O'CONNOR of New York. Oh, no.

Mr. MARTIN of Massachusetts. I do not want to be suspicious, but is there any particular reason for this legislation at the present time? Is there something in the offing that you want this particular power for?

Mr. O'CONNOR of New York. No. I may say to the gentleman a number of concurrent resolutions have been introduced and resolutions for joint investigations. Looking at the statute we found this omission. I can assure the gentleman we have nothing particular in mind.

Mr. PETTENGILL. Mr. Speaker, reserving the right to object, may I ask the chairman of the Rules Committee is it within the power and jurisdiction of the House to amend the statutory law of the United States in the form of a joint resolution and not in the form of a bill?

Mr. O'CONNOR of New York. Oh, yes.

Mr. PETTENGILL. Is that clear?

Mr. O'CONNOR of New York. That is absolutely clear. We pass laws by joint resolution. I do not agree with the practice, but of course it has been held that a joint resolution has the effect of law. I do not know how the practice grew up. Strictly speaking, proposed laws should be introduced, and all changes in law made, through the introduction of bills. Personally I would like to see this joint resolution feature abandoned, except where it involves something which is not really fundamental law. However, this practice exists and laws are often passed under the heading of a "joint resolution."

Mr. PETTENGILL. Do I understand that this does not confer upon a standing committee of Congress powers which it does not already have?

Mr. TOWEY. That is my understanding.

Mr. O'CONNOR of New York. That is correct.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. BIGELOW. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD at this point and to include therein two letters from the Administrator of the Housing Authority, one to a Member of the Senate and the other to myself.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BIGELOW. Mr. Speaker, sudden termination of the consideration of this bill sidetracked, of course, all pending amendments.

Had there been an opportunity, I would have offered the following amendment:

SEC. 3. Section 15, subsection (5) is amended by inserting after the word "city" the words "or metropolitan area concerned."

With the addition of this amendment, cities with less than 500,000 population could spend in excess of $1,000 per room on slum-clearance projects, provided these cities were a part of a metropolitan area exceeding 500,000.

Cincinnati proper has a population of slightly under 500,000, but it is part of a compact metropolitan area of 760,000.

Obviously it is this total population massed in the one locality that influences building costs. It makes no difference to the economic situation where, through this metropolitan area, the political boundaries of Cincinnati proper may happen to run.

As stated in a letter by Mr. Bleecker Marquette, executive secretary of the Cincinnati Better Housing League, incorporated in the record for yesterday, Cincinnati has found that in that metropolitan area it is impossible for the local

housing authority to keep slum-clearance projects within the cost limitation.

I incorporate at this point, the following letters relating to this proposed amendment from Mr. Nathan Straus, Administrator, United States Housing Authority:

DEPARTMENT OF THE INTERIOR,
UNITED STATES HOUSING AUTHORITY,
Washington, June 3, 1938.

MY DEAR CONGRESSMAN BIGELOW: In connection with H. R. 10435, a bill to amend the United States Housing Act of 1937, which you introduced on April 27, I am enclosing a copy of a report on this bill which I made at the request of Senator BULKLEY.

Please be assured of our appreciation of your continued interest in our program.

Faithfully yours,

NATHAN STRAUS, *Administrator.*

DEPARTMENT OF THE INTERIOR,
UNITED STATES HOUSING AUTHORITY,
Washington, May 31, 1938.

MY DEAR SENATOR BULKLEY: In further reference to my letter to you of May 13, in which I informed you that I would furnish a report on H. R. 10435, a bill to amend the United States Housing Act of 1937, and for other purposes, permit me to inform you that I am in favor of the amendment proposed in that bill.

You will recall that this bill amends section 15 (5) of the United States Housing Act by adding after the word "city" the words "or metropolitan area." The effect of this amendment would be that with respect to the room cost and per family dwelling unit cost limitations set forth in section 15 (5) of the act, the higher figures would be used where the particular city or metropolitan area had a population in excess of 500,000 instead of where the city has a population in excess of 500,000 as the act now reads.

From information which we have been able to gather, it appears that where a city with a population of less than 500,000 is located within a metropolitan area which includes a city with a population in excess of 500,000, building costs of the smaller city tend to approximate those of the larger city. This is true for a number of reasons.

In the first place, union wages are fixed by the nearest local council of the trade-union as set by agreement between the union and the employers. It is an established fact that proximity to a large city tends to increase the wages in neighboring small cities. The fact is, therefore, that a small city within 25 miles of a large city, or within its metropolitan area, will more than likely have almost identical wage scales as those existing in the larger city.

In the second place, the larger city may have an advantage over the smaller cities with respect to costs due to the fact that better transportation and terminal facilities which obtain in the case of a larger city and to the fact that possible larger quantity purchases and other buying advantages of dealers in the larger city may ultimately be reflected in lower building costs in that large city.

In the third place, it is an established fact that modernization of building codes proceeds more rapidly in the larger cities. The result is that a smaller city adjoining a larger one will lag in the adoption of the more modern building code adopted by the larger city. Since the trend of code modernization is toward lower costs, it follows that the advantage of lower construction costs is with the larger city as against the smaller city in the metropolitan area.

As can be seen from the above, construction costs do not bear such a close relationship to population as would justify the assumption that costs in a city are greater or smaller depending upon whether the city has a population of more or less than 500,000. Such an arbitrary distinction can only operate to the disadvantage of cities just under the 500,000 mark. In fact, the combined result of the influences described above may actually produce costs in smaller municipalities in excess of those in an adjoining larger city in whose metropolitan area the smaller city is located. Let me give you specific examples. The cities of Yonkers, Newark, and Montclair are instances of smaller cities located in the metropolitan area of the larger city of New York. We know from our studies that the costs of construction in these smaller cities tend to reach or exceed those in New York.

For these reasons I am in favor of the adoption of H. R. 10435. I am advised by the Bureau of the Budget that this report on H. R. 10435 is not inconsistent with the President's program.

Faithfully yours,

NATHAN STRAUS, *Administrator.*

The only recourse Cincinnati will have now will be to request the conferees on the emergency spending legislation to incorporate this amendment in the rider to the Senate bill. Cincinnati, naturally being so much concerned in the matter, will look to Mr. Straus and to our Ohio Senators for their cooperation when the bill goes to conference.

BRIDGE ACROSS MISSISSIPPI RIVER AT CAPE GIRARDEAU, MO.

Mr. HOBBS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 9963) to authorize the acquisition of the bridge across the Mississippi River at Cape Girardeau, Mo., and the approaches thereto, by a single condemnation proceeding in either the District Court for the Eastern Judicial District of Missouri or the District Court for the Eastern Judicial District of Illinois, and providing the procedure for such proceeding.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

Mr. MAPES. Mr. Speaker, reserving the right to object, will the gentleman explain the bill? What committee reports this bill?

Mr. HOBBS. The Committee on the Judiciary. I may say to the gentleman from Michigan [Mr. MAPES] that I have approached and interviewed several of the minority members of the committee and there is no objection. There is nothing controversial about this.

Mr. MAPES. It does not have anything to do with the work of the Committee on Interstate and Foreign Commerce.

Mr. HOBBS. Not at all.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That proceedings for the acquisition by condemnation of the bridge across the Mississippi River at Cape Girardeau, Mo., and the approaches thereto, as provided in section 4 of the act entitled "An act granting the consent of Congress to Cape Girardeau Chamber of Commerce, Inc., to construct, maintain, and operate a bridge across the Mississippi River at Cape Girardeau, Mo.," approved May 3, 1926, may be had in either the District Court for the Eastern Judicial District of Missouri or in the District Court for the Eastern Judicial District of Illinois; and said courts are hereby vested with jurisdiction of such condemnation proceedings. When the jurisdiction of one of said courts has been invoked by the instituting therein of a proceeding to acquire the said bridge by condemnation, no jurisdiction may thereafter be maintained or prosecuted in the other of such courts until the proceeding so instituted shall have been voluntarily dismissed or until after the final judgment or dismissal of it shall have been rendered.

SEC. 2. The proceedings for the acquisition of said bridge by condemnation shall be in accordance with the condemnation laws governing the acquisition of private property by railroad corporations for railroad purposes in whichever State such proceedings may be instituted.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

COMPILATION OF VETERANS' BENEFITS

Mr. LAMBETH. Mr. Speaker, by direction of the Committee on Printing, I report back (Rept. No. 2583) a privileged resolution, House Resolution 508, authorizing the printing of information concerning Federal benefits available to veterans and their dependents as a document, and ask for its immediate consideration.

The Clerk read the resolution as follows:

House Resolution 508

Resolved, That the compilation containing information concerning benefits available to veterans and their dependents under laws administered by the Veterans' Administration and other Government agencies, including the War Department and the Civil Service, prepared by Hon. WRIGHT PATMAN, Representative from Texas, be printed as a House document; and that 20,000 additional copies thereof be printed for the use of the House document room.

The resolution was agreed to.

EXTENSION OF REMARKS

Mr. BACON. Mr. Speaker, in connection with the privilege that I understand I have now of extending my own remarks in the RECORD, I ask unanimous consent to include an editorial.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. FISH. Mr. Speaker, I ask unanimous consent to proceed for 3 minutes.

The SPEAKER. The Chair may say to the gentleman that there are several previous orders pending.

Mr. FISH. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. The Chair will submit the request. Is there objection to the request of the gentleman from New York [Mr. FISH] to address the House for 1 minute?

There was no objection.

Mr. FISH. Mr. Speaker, I rise as a member of the Committee on Banking and Currency to protest the flagrant action of the other body in amending the relief bill by adding to it the housing-project bill which has just been under consideration here. It seems to me such extraordinary procedure reflects upon not only the House Committee on Banking and Currency but upon the entire House of Representatives. It destroys representative government and confidence in our legislative bodies. If we are a deliberative body, which we are, we have a right to consider legislation and to pass upon it without interference from the other body. If we are to continue under our free institutions and maintain our representative government, then we should insist that such an outrageous practice shall cease. Otherwise legislative bodies under our representative system will become merely a travesty and a farce.

Mr. Speaker, I protest the unparliamentary action which verges on sharp practices on the part of the Senate of the United States. [Applause.]

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. BATES. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a tribute to our late beloved colleague, William Connery.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. MAVERICK. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes. In justice to the gentleman who preceded me, I may say I have consulted those who have under special order been given permission to address the House, and they tell me they do not object.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

BANDYING NAMES IN IOWA; A TEXAS CONGRESSMAN IS INCLUDED

Mr. MAVERICK. Mr. Speaker, for the past several days I have received a lot of attention in the State of Iowa. I had no idea I was known in that State. Since Mr. GILLETTE, the present Senator, and his speakers are bandying my name about in Iowa, charging me with interfering with Iowa politics, I feel it proper for me to make a statement in connection with it.

I have done absolutely nothing of the kind. I know nothing of Iowa politics.

I had no idea I was well enough known to warrant my name even being mentioned there.

However, in the belief that my name apparently is anathema in Iowa, along with that of Phil La Follette and several others, I may say I have been mentioned as one of the main conspirators engaged in supporting the gentleman from Iowa [Mr. WEARIN]. Mr. GILLETTE has brought my name into Iowa politics without any foundation whatsoever.

Mr. BIERMANN. Mr. Speaker, I make the point of order that a Member of this body has no right to involve the name and actions of a Member of another body in a controversy here.

Mr. MAVERICK. Mr. Speaker, I should like to know whether, if a Member of another body goes out to the State of Iowa or the State of Texas or any other State and on the political stump makes what appears as odious reference to me, am I to be prevented, according to the ordinary and reasonable rules of fair play, from mentioning the fact that I had nothing to do with the situation he mentions? I can see no reason a Member of another body can go outside and attack a Member of this body while the Member of this body has no right to defend himself. That would be a preposterous situation.

The SPEAKER. The Chair may state upon the point of order raised by the gentleman from Iowa that it is contrary to the rules of the House for a Member of this body to refer in anyway to any action or statement made by a Member of the Senate of the United States.

Under the circumstances stated by the gentleman from Texas, if he does not refer to the statement as having been made by a Member of the Senate of the United States, the Chair is of the opinion the gentleman can present the statement without identifying its maker as a Member of the other body.

Mr. MAVERICK. Since a certain gentleman has brought my name into Iowa politics without any reason, all I can say is that a certain gentleman introduced in a certain body a farm bill, in which I joined, with a rigid curb on the Supreme Court far more drastic than the President's bill. Then this certain gentleman ran out on the farmers and also on the Supreme Court bill.

OTHA WEARIN IS ABLE, HARD-HITTING, INTELLIGENT

Since my name has been brought into the situation without any basis whatever, I give my impartial opinion and appraisal of a man in Washington. Here in Washington we know OTHA WEARIN as an able, hard-hitting, intelligent representative of the people.

I know another certain gentleman who is an agreeable gentleman with a fine smile, with no special knowledge of the law, but with all the prejudices of a New York corporation lawyer against the average man. On the other hand, I understand the Iowa people know WEARIN as a farmer, and although he is not a handsome fellow, he is regarded here as a hard and able worker.

Mr. BIERMANN. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. BIERMANN. Mr. Speaker, I make the point of order that, while the name of a Member of the Senate of the United States is not mentioned here, he is described so accurately and so specifically by the gentleman from Texas in saying, "This gentleman and I introduced a certain bill," and referring to the bill, that nobody can doubt who is meant. I protest that it is entirely out of order for a Member of this body to refer as a corporation lawyer to a man whose heartbeat from the time he was born until now has been with the common people.

Mr. MAVERICK. Mr. Speaker, I want to reply to that speech made by the gentleman from Iowa.

The SPEAKER. The gentleman from Iowa has raised a point of order. Does the gentleman from Texas desire to be heard on the point of order?

Mr. MAVERICK. I should like to be heard on the point of order, Mr. Speaker, and I make the point of order that the gentleman was not making a point of order when he spoke about this fine gentleman's heart beating for the poor common people. His heart beating so strongly for the common people is no point of order but a speech injected under the guise of a point of order. I am making a talk here without mentioning that gentleman. If the gentleman states that this man has all the aspects and earmarks of a corporation lawyer, that the description fits his man, then he can wear that shoe if it fits him, and that is all right with me.

Mr. BIERMANN. Mr. Speaker, I did not make such a statement.

Mr. MAVERICK. You did.

Mr. BIERMANN. I deny the accuracy of that sort of representation.

The SPEAKER. In reply to the point of order made by the gentleman from Iowa, the Chair has already made a ruling with respect to the rules of the House. Of course, in matters of this sort there is a border line involved, but the Chair trusts the gentleman from Texas will observe the rules and

precedents of the House with respect to mentioning in any wise a Member of the Senate.

Mr. MAVERICK. Mr. Speaker, I live on the border line of Texas, and I know what a border line is, and I am staying in Texas politics, and am not involving myself in Iowa politics. What happened is a certain gentleman left Iowa, and without any cause whatever, dragged me over into the Iowa border.

I want to repeat that I never said anything about or took any part in Iowa politics.

I now want to complete my statement.

On the other hand, I know the people of Iowa know that WEARIN is a farmer, and although he is not a very handsome fellow, he is regarded here as a hard worker and a man who studies instead of smiles too much.

I have never known anything about Iowa politics, and do not know anything about them now. The "certain gentleman" had no business bringing my name in. I would never have said a word, but the gentleman called for it, and now he has got it. I am glad to give my idea of what people think in Washington——

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. MAVERICK. Then, Mr. Speaker, I ask unanimous consent to proceed for 1 additional minute.

Mr. BIERMANN. Mr. Speaker, reserving the right to object, I think the gentleman from Texas violates the rules in principle, although he may be technically inside the Mexican border he refers to; therefore I object.

Mr. MAVERICK. I thought the gentleman "reserved" the right to object—but OTHA WEARIN is a first-class man, and I still say a certain gentleman had no business pulling me into an Iowa fight.

The SPEAKER. Objection is heard.

PERMISSION TO ADDRESS THE HOUSE

Mr. PHILLIPS. Mr. Speaker, I ask unanimous consent to address the House for 5 seconds.

The SPEAKER. The gentleman from Connecticut, despite the previous orders heretofore made, asks unanimous consent to address the House for 5 seconds. Is there objection?

There was no objection.

Mr. PHILLIPS. Mr. Speaker and Members of the House, I address these few remarks to you on the subject of housing. I address these remarks at this point because with the great demand to speak on the subject of housing there was not enough time available while the recently pending bill on this subject was under debate.

While that bill was being debated I heard various opponents of our United States Government housing program criticise it quite bitterly. I know that their criticism was sincere, but I am convinced that it was misguided, partially because of the fact that they have had no personal experience whatever with housing.

It was my good fortune, just before coming to Congress, to serve as the mayor of my home city, Stamford, Conn. In this capacity it was also my privilege to persuade the Public Works Administration to place in Stamford, Conn., one of the 38 so-called test housing projects in the whole United States, a 100-percent United States Government low-cost housing project costing about $980,000.

The Public Works Administration has generously stated that this has been the most successful project in the whole United States, judged from the standpoint of efficiency and lack of friction from the very beginning to this date in connection with this project.

This project was completed somewhat less than a year ago and houses 146 families. This project in Stamford, Conn., is called Fairfield Court.

In endeavoring to get this project for Stamford, we appointed a nonpartisan housing committee. As proof of its nonpartisan character, may I point out that one of the members of this committee was the publisher of the only local newspaper we have, a Republican newspaper, the Stamford (Conn.) Advocate. May I add, too, this is the gentleman who in 1936 placed in nomination my Republican predecessor in the office I now hold, and thus my major political opponent.

This housing committee, then called the mayor's housing committee, assembled facts and figures regarding ill health and crime in local slum areas, room costs, and so forth, which I brought to Washington and on which facts and figures the P. W. A. judged that a project of this kind was needed in Stamford and decided to place it in Stamford, despite the fact that this is one of the smaller cities in the country.

Until the United States Government sent a representative to organize and manage the construction of this project, it was my job, acting for the United States Government, as it were, to assemble the architects, building engineer, heating and plumbing engineer, landscape architect, draftsmen, and so forth, to plan Fairfield Court. This was all done under pressure, too, because the United States Government was moving fast at that time in an endeavor to help put people to work. Later the United States Government sent to Stamford, Conn., one Col. J. H. Brown, who ably, honestly, tactfully, and faithfully managed and coordinated the building activities of this important enterprise until it was completed for occupancy and the United States Government then appointed a rental manager who now is in charge of the project in Stamford. Thus it is quite evident that we have had some experience in housing.

While this project was in the course of being erected the city of Stamford, under our administration, engaged in a program of forcing people either to build up to decent living standards or tear down buildings unfit for human habitation. This resulted in a great amount of slum clearance, and by slum clearance we mean just that.

After Fairfield Court was about ready for occupancy and after consulting with me, United States Government officials appointed an outstanding local group of citizens, on a nonpartisan basis, to act as a local housing commission. Again I emphasize the nonpolitical character of this group by pointing out that here also the local Republican publisher of Stamford's one daily newspaper was appointed to this group. This group has functioned harmoniously and effectively to date.

Under this group Fairfield Court was tenanted, and in such a way that there was little or no criticism in the community concerning the kind of tenants taken into Fairfield Court or of their need of low-cost housing.

As stated, those housed in Fairfield Court have been living there almost a year now. In each case they were carefully chosen by the local commission on such a basis that people were taken from substandard housing and placed in Fairfield Court. As I have just stated, Fairfield Court houses 146 families. There were over 1,100 family applications. Fairfield Court was 100 percent rented before it opened its doors.

The prophets of evil stated that Fairfield Court was going to depress property values, upset the local real-estate market, and so forth. This has not been our experience. I believe that if any municipality adopts a real slum-clearance program, demolishing unsatisfactory habitation, at the same time that the new low housing accommodations are built, slum clearance will indeed be achieved and that there will be no disjointing of the local real-estate market. Those who have in the past been maintaining hovels unfit for human habitation may indeed suffer, but if they do it is just too bad!

Here are some of the statistics regarding Fairfield Court:

Total estimated project cost per room	$1,738.00
Land cost per room	136.00
Estimated project cost less land per room	1,602.00
Estimated building cost per room, including foundations, superstructures, refrigerators, ranges, shades, and equipment	1,477.00
Average rent	5.82
Utilities (this includes all lighting, heating and water charges)	2.95
	8.77

Here are the statistics covering room rent, versus income brackets of those in such rooms:

	Cost	Average	Maximum income per year
18 two-room units	$22.00–$23.50	$22.54	$1,320–$1,410
72 three-room units	27.00– 29.50	27.94	1,620– 1,770
33 four-room units	32.50– 34.70	33.22	1,950– 2,082
23 five-room units	36.40– 38.90	37.71	2,184– 2,334

Average gross rents, including heat, hot water, light, refrigerators, cooking (per month)	$30.00
Average cost of utilities	7.70
Balance	22.30
Average rents paid in substandard dwellings in Stamford, Conn	22.50

These figures are estimated as of August 13, 1937. I have not in my files actual costs from experience. I am obtaining these. However, actual costs, I am advised, are approximately the same as the figures just stated.

I now append figures obtained by me last year on the subject of low-cost housing development in various parts of the United States.

Low-cost housing developments in various parts of the United States

COMPLETED PROJECTS

City	Name	Rooms	Cost
Atlanta, Ga	Techwood Homes	2,124	$1,027
Do	University Homes	2,343	961
Atlantic City, N. J	Stanley S. Holmes Village	928	1,371
Buffalo, N. Y	Kenfield	2,756	1,581
Charleston, S. C	Meeting Street Manor (white)	700	1,793
Do	Cooper River Court (colored)		
Cleveland, Ohio	Cedar Central Apartments	2,296	1,221
Do	Outhwaite Homes	2,166	1,295
Columbia, S. C	University Terrace	415	1,508
Dallas, Tex	Cedar Springs Place	598	1,615
Indianapolis, Ind	Lockefield Garden Apartments	2,538	1,131
Jacksonville, Fla	Durkeeville	701	1,301
Miami, Fla	Liberty Square	860	1,066
Milwaukee, Wis	Parklawn	2,018	1,197
Montgomery, Ala	Riverside Heights	324	1,210
Do	Wm. B. Paterson Courts	524	872
New York City, N. Y	Harlem River Houses	1,940	1,577
Oklahoma City, Okla	Will Rogers Courts	1,232	1,563
Stamford, Conn	Fairfield Court	499	1,601

PROJECTS UNDER CONSTRUCTION

Birmingham, Ala	H 2902	1,588	$1,300
Boston, Mass	H 3302	3,860	1,534
Cambridge, Mass	H 8501	1,172	1,359
Camden, N. J	H 6002	1,852	1,666
Chicago, Ill	H 1401	2,501	1,715
Do	H 1405	1,070	1,534
Do	H 1406	3,254	1,621
Do	H 1408	1,733	1,659
Cincinnati, Ohio	H 1801	3,362	1,615
Cleveland, Ohio	H 1003	2,311	1,418
Detroit, Mich	H 1201	2,360	1,588
Do	H 1205	2,827	1,532
Enid, Okla	H 5401	311	1,695
Evansville, Ind	H 3801	563	1,334
Lackawanna, N. Y	H 6202	1,126	1,368
Lexington, Ky	H 5103	947	1,756
Louisville, Ky	H 2502	797	1,543
Do	H 2503	407	1,698
Memphis, Tenn	H 3401	2,004	1,466
Do	H 3403	1,574	1,727
Minneapolis, Minn	H 4201	1,708	1,810
Nashville, Tenn	H 2101	1,045	1,691
Do	H 2102	1,261	1,369
New York City, N. Y	H 1301	5,688	1,686
Omaha, Nebr	H 2001	1,114	1,480
Philadelphia, Pa	H 3001 C	999	1,951
Schenectady, N. Y	H 5801	717	1,781
Toledo, Ohio	H 2601	907	1,749
Washington, D. C	H 1706 A	903	1,948
Wayne, Pa	H 9001	168	1,774

Average cost per room, completed projects, $1,290.

Average cost per room, projects under construction (estimated), $1,587.

Cost does not include land.

Various Members of the House have been interested in cost per room of some completed projects. Here are some figures that may interest them (P. W. A. housing):

Room cost, cities 500,000 and over:

Buffalo	$1,581
Cleveland	1,221
Cleveland	1,295
New York City	1,577

It will be noted that the average cost is $1,419.

Here are some figures concerning smaller cities:

Room cost:

Atlantic City (population, 66,000)	$1,371
Dallas, Tex. (population, 260,000)	1,615
Oklahoma City (population, 185,000)	1,563
Stamford, Conn. (population, 56,000)	1,601

It will be noted that the average cost for these smaller cities is $1,537 per room.

Now regarding the proposition of 100 percent United States Government slum clearance help versus 10 percent local contribution, here is the way the proposition appears to some of us who have had experience in the matter: Theoretically, the idea of a local contribution may be sound. Practically, it is not right, now, due to the heavy relief load that local municipalities are carrying. For example, if our community, Stamford, Conn., were to endeavor to obtain a United States Government housing project today, and were asked to contribute 10 percent toward this, here is the condition facing us: We are now spending out of our own community's funds, town of Stamford, Conn., taxes, about $900,000 for relief. This is in addition to help we receive from the Federal Government. May I add that this contribution on the part of the citizens of one community is more than the entire contribution, on an annual basis, of some whole States! Take now, the case of Bridgeport, Conn., or Norwalk, Conn., in my district, both of these communities desiring housing projects. These industrial communities are very badly hit economically at this time. They are contributing thousands of dollars per year out of local taxes and funds for poor relief, just as in the case of Stamford, Conn., as I have just demonstrated. Doing their share as they thus are in meeting the relief situation, it would be very difficult indeed for them to make a local contribution toward housing. They need low-cost housing, slum clearance. However, they might not be able to get slum clearance, low-cost housing, if they had to make a local contribution. Thus, I am in favor of the present proposition to waive the necessity for local communities to make a contribution toward low-cost housing at this time because of these reasons.

The contention has been made that the low-cost housing already built does not meet the situation because apartment houses have been erected instead of individual houses. The argument had been made, too, by the opposition that these apartment houses are built not on the original slum areas, but elsewhere. Hence, where is the slum clearance? The answer of course, is that in many communities the apartment-house type of dwelling for various geographical and other reasons, meets the situation better than the individual dwelling, although in theory the latter would, of course, be better. Also slum clearance cannot indeed be effected by tearing slums down just as in the case of Stamford, Conn., as I have demonstrated, and building replacement dwellings for people, if I may use that term, in the same place. They must be built elsewhere in a better location.

Mr. Speaker, I hope that Members of the House will not be influenced by prejudice coming from those sincere, but misguided, people who do not possess a practical knowledge of this subject and who oppose letting the United States Government erect with 100 percent Federal funds low-cost housing projects in local communities. At the present time, as stated, I hope that the Federal Government will be allowed to use its funds to erect low-cost housing projects without calling upon local communities to make any contribution at all. I believe that this matter can be worked out feasibly, too, from a business standpoint so that in the long run the Federal Government will not lose anything. Also the benefits accruing to America because of destroying crime-breeding places and health menaces and placing people in decent surroundings is immeasurable.

EXTENSION OF REMARKS

Mr. MEAD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the legislation that I introduced today.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The SPEAKER. Under the special order of the House heretofore entered, the gentleman from West Virginia [Mr. RAMSAY] is recognized for 30 minutes.

TAX-EXEMPT SECURITIES

Mr. RAMSAY. Mr. Speaker, I desire to present to the House of Representatives the reasons the subcommittee of the House, of which I have the honor to be chairman, refused at this session to report upon the constitutional amendment presented to it to prevent tax exemptions.

We felt before any action should be taken by the committee to correct this abuse, Congress should make an honest attempt to correct these abuses by acts of legislation, as urged upon it by the President.

CONSTITUTIONALITY OF PROPOSED STATUTE TERMINATING TAX EXEMPTION

My attention was called on April 26, 1938, to an editorial which appeared in the New York Times on that date, entitled "Tax Exemption." The editorial was published the day after the President of the United States had transmitted a message to the Congress, urging it to end tax exemption of income derived from future issues of Federal, State, and municipal securities, and from Federal, State, and municipal offices. Under the legislation suggested by the President, the Federal Government would also consent to nondiscriminatory taxation by each State of the interest on Federal obligations and the compensation of Federal officials.

Such a proposal did not seem very startling. Nor did it appear calculated to undermine the fundamental precepts of of the Constitution, but—to the learned editorial writer of the New York Times, the President's proposal was fraught with perils to the democratic process of government.

It is important now to remember—

Stated the editorial—

that the (income tax) amendment was generally considered to have been ratified on the basis of * * * assurances—

By Senator BORAH and by Senator Root, that the sixteenth amendment did not permit the Federal Government to tax income from State and local securities. And for this reason, which I will later show to be unfounded, and for the more novel reason that it has been several years since this administration has submitted a constitutional amendment to the States, the editorial concluded:

The proper course of action now is for Congress to promptly submit such an amendment directly to the people of the States, through the medium of conventions especially chosen for that purpose, and by this method to put to a fresh test the flexibility of the Constitution.

The claim put forward by the editorial writer in the Times seems now to have been seriously undermined by the decision of the Supreme Court on May 23 in the case of Helvering against Gerhardt. In that case the Court held that the Federal income tax imposed on salaries received by employees of the Port of New York Authority did not place an unconstitutional burden on the States of New York and New Jersey. As Under Secretary Magill said, in commenting on the opinion of Mr. Justice Stone, "it cut through the underbrush" of a wilderness of confusing prior opinions. The Court apparently gave up the attempt to distinguish between "sovereign" and "proprietary" functions of States. The decision goes to the heart of the matter and determines whether or not the burden on the State is speculative and uncertain. If so, the income is not exempt from taxation.

In the course of his sweeping opinion, Mr. Justice Stone states that the principle exemplified by recent decisions of the Court—

Forbids recognition of the immunity when the burden on the State is so speculative and uncertain that, if allowed, it would restrict the Federal taxing power without affording any corresponding tangible protection to the State government; even though the function be thought important enough to demand immunity from a tax upon the State itself, it is not necessarily protected from a tax which well may be substantially or entirely absorbed by private persons.

As the chief counsel of the Bureau of Internal Revenue said in a recent address before the Federal Bar Association:

It may reasonably be assumed that the Court is prepared to reconsider and, if necessary, restrict immunity from Federal income tax. As a matter of fact, the opinion of Mr. Justice Stone, considered in its entirety, warrants the belief that the Court recognizes the pressing necessity for a reexamination of the whole doctrine of reciprocal immunity.

It seems to me, therefore, that this is an appropriate time to examine the claim put forward by the editor of the New York Times that a constitutional amendment is necessary in order to eliminate a reciprocal immunity from income tax. I propose to show that the doctrine of reciprocal immunity does not bar a nondiscriminatory Federal income tax as suggested by the President.

IMMUNITY FROM TAXATION

In earlier days, when conditions were much simpler and the tax load much lighter, and before the income tax was universally recognized as the most just means for distributing the costs of government, it was a common practice for government to issue its own obligations freed from the burden of taxation.

It was in the mental climate of these earlier days, that there grew up the rather uncritical assumption, translated into court decisions, that our Federal system of government impliedly required—though the Constitution did not say so—an immunity from taxation on the income of obligations issued by the Federal Government.

In a subsequent period, this doctrine of Federal immunity was held to be applicable, by the same token, to the States. The increasing amount of wealth that has been withdrawn from the taxing power of the Nation and the States, and the dislocation this has wrought to public finance, as well as the unfair consequences of these immunities when judged by present standards of social justice, have led our statesmen and economists with practical unanimity to insist on the necessity of calling a halt to a practice no longer justified either by economics or good morals.

The income-tax amendment authorized Congress to levy taxes "on income from whatever source derived." "That is plain language," as the President of the United States said in his message to Congress on April 25 of this year, when he recommended appropriate legislation to terminate tax exemptions, and "fairly construed, this language would seem to authorize taxation of income derived from State and municipal as well as Federal bonds, and also income derived from State and municipal as well as Federal offices."

Shortly after the income-tax amendment had been ratified by the requisite number of States, and had become a part of the Constitution of the United States, Congress repealed the Corporation Excise Tax Act of 1909, which levied in effect a tax upon all the income of certain corporations, from whatever source derived, including Federal, State, and municipal securities. That statute had been upheld by the Supreme Court in the case of *Flint* v. *Stone Tracey Co.* ((1910) 220 U. S. 107).

OBJECTION TO NEW PROPOSED TAX LAW

The objection is now made that a further constitutional amendment is necessary, in order to reach a goal that has been recommended as necessary and desirable for almost 20 years by successive Presidents and Secretaries of the Treasury.

The great evils of tax exemption of securities and officers of the Federal, State, and local governments have so often been pointed out that it seems stressing the obvious to reiterate the inconsistency of the existence in the same Nation of a progressive graduated income-tax system and contemporaneously a perpetual reservoir of tax-exempt securities and offices.

And yet editorial comment in the great metropolitan press would have us believe that the Congress is helpless to cure this intolerable condition; that a further constitutional amendment is necessary; and that the method chosen by the President of eliminating the evil by "a short and simple statute" is not consistent with the democratic process.

Legal opinions expressed in editorials adverse to the constitutionality of a statute levying a nondiscriminatory tax on the income from State and municipal securities and offices proceed on either of two assumptions.

They assume either that the doctrine of intergovernmental exemptions is basically sound and logically necessary or that, as developed by the judiciary, such doctrine is the result of some express or unavoidably implied limitation in the Constitution and is incapable of judicial modification under our constitutional system.

One would hardly gather from the tenor of remarks on the part of the press that the President's proposal did not suggest the taxation of the property or income of the Federal Government or of States or municipalities, and that the President's proposal did not even suggest a direct tax on the bonds of the Federal Government or of States and municipalities.

One would hardly gather from the drift of the discussion that the President's proposal was limited to the suggestion that the income received by a private individual or corporation should not be exempt from a general income tax simply because it was derived from a Federal, State, or municipal bond. One can scarcely believe, after reading the glib legal articles casting doubts on the constitutionality of the President's proposal, that no greater flexibility of our organic law is required.

Only last month the Supreme Court held in the case of *Helvering* v. *Mountain Producers Corporation* ((1938) 58 Sup. Ct. 623) that the income of a lessee of State-owned property was subject to tax on the income derived from the property leased, and in so doing specifically overrules two prior decisions, *Burnet* v. *Coronado Oil & Gas Co.* ((1932) 285 U. S. 393) and *Gillespie* v. *Oklahoma* ((1921) 257 U. S. 501).

The field of reciprocal tax immunity is vast. The proposal of the President to tax the income from future issues of Federal, State, and local securities and the income received as salaries from Federal, State, and local governments does not trespass on any inviolable part of this field.

In no other Federal system is immunity from reciprocal taxation of Federal and State obligations recognized, and its supposed presence in our system is an outgrowth of a misunderstanding or misapplication of the decision of the Supreme Court in the case of *McCulloch* v. *Maryland* ((1819) 4 Wheat. 316).

That great and much-abused case involved a substantial and direct tax imposed by the State of Maryland upon banknotes issued by banks not chartered by the State. It applied with obvious discrimination to notes issued by the Bank of the United States. In holding the tax invalid, Chief Justice Marshall spoke of sovereignty, that sovereignty of a State which "extends to everything which exists by its authority, or is introduced by its permission," but which does not extend to "means employed by Congress to carry into execution powers conferred on that body by the people of the United States." And then was uttered that famous dictum of Marshall's, which has so often been torn from its context to plague progressive tax reforms that "the power to tax involves the power to destroy."

The actual decision held that the Maryland tax was invalid. It was unanimous, and there has never been any doubt that the decision was right. It may be justified on either of two grounds: First, the Bank of the United States was created as an agency of the Federal Government to carry out certain of its fundamental powers; second, the tax was clearly aimed at the bank and was discriminatory in character. The opinion relies chiefly upon the first ground, but the second ground was very much in the mind of Marshall. This was shown 10 years later, when Marshall wrote an opinion for the majority of a divided Court, invalidating a local property tax on Federal obligations (*Weston* v. *Charleston* (1829), 2 Pet. 449). Here also the tax certainly was discriminatory. Income from State and municipal obligations was expressly excluded, and income from Federal obligations was expressly included in the scope of the tax.

Marshall was fearful that State taxation would be used to obstruct the exercise of Federal power. He had indicated he had such a fear in McCulloch against Maryland, and at the same time had shown he had no similar fear regarding the effect of Federal taxation upon the States, because, as he said, the "people of all the States, and the States themselves, are represented in Congress, and, by their Representatives, exercise the power."

After Marshall left the Court, however, it held that the captain of a United States revenue cutter was not subject to a general county tax measured by his salary (*Dobbins* v. *Commissioner* (1842), 16 Pect. 435). The decision was based upon the peculiar proposition that since the revenue cutter itself was not subject to a county property tax, its captain was similarly exempt. The decision was also put upon the alternate and no less illogical ground, that since the State had no power to cut the salary of the captain the county could not accomplish that result through a tax. However desirable the result, it is quite evident that the conclusion of the Court does not result from either premise.

Then in *Collector* v. *Day* ((1870) 11 Wall. 113) a divided Court ignored the distinction that Marshall himself had made and held that the principle announced by Marshall to protect the Central Government made it impossible for Congress to tax the salary of a State judicial official, and the nondiscriminatory Civil War Federal income tax was held constitutionally inapplicable to a Massachusetts judge. Thus, a doctrine that the fiscal powers of the United States must be defended against defeat by the States became transmuted into a doctrine that citizens of the United States who happen to earn their living as State officials must be exempted from an income levy to meet the fiscal necessities of the Federal Government.

Finally, in the case of *Pollock* v. *Farmers' Loan & Trust Co.* ((1895) 157 U. S. 429) the metamorphosis of *McCulloch* v. *Maryland* became complete. The Supreme Court held that Congress could not tax the interest on State or municipal bonds. Chief Justice Fuller in summarizing this conclusion said that—

> The tax in question is a tax on the power of the States and their instrumentalities to borrow money, and consequently repugnant to the Constitution.

He stated the proposition as though it was self-evident and did not require proof, and as if it were a necessary implication from the Constitution, though not expressed there. Being a constitutional revelation, judicial reasoning was scorned.

But not many years later the Court concluded without difficulty that interest on State and municipal bonds could be included in the income forming the measure of a corporate excise tax, and this was not the direct taxation of the State or municipality which the Pollock case condemned (*Flint* v. *Stone-Tracey Co.* (1910), 220 U. S. 107).

Thus, by the simple turn of a legislative phrase in the Stone-Tracey case, the Court permitted Congress to hurdle the barrier of the Pollock case by holding that an excise tax measured by income was not invalid, because there was included in the income which determined the amount of the tax, income from tax-exempt property.

It would hardly seem that the proposition in the Pollock case can be as fundamental as many special pleaders profess to believe, if it be possible, as it clearly is, for Congress to circumvent this decision by phrasing a law in terms of an excise or privilege tax measured by income from all sources, including State and municipal bonds. And certainly the fact that such a large constitutional exception can be made to turn upon such a small verbal difference, indicates some lack of fundamental reason and reality in the original doctrine.

THE SIXTEENTH AMENDMENT

It must be remembered that these decisions were rendered before the sixteenth amendment and before Congress had been given by the people the power to levy taxes on incomes "from whatever source derived." And, moreover, none of the cases involved graduated income taxes, but all were decided at a time when it was customary for the Federal Government to issue its own bonds exempt from all Federal taxes.

Under Secretary of the Treasury Roswell Magill, in a recent address in Baltimore, recalled the reasons it had been thought the sixteenth amendment put an end to any judicial legerdemain in connection with a tax on the income of State and municipal bonds. I quote from his address:

The congressional resolution, as at first introduced, did not contain the clause "from whatever source derived." It is well known that the amendment was intended to remove the obstacles to Federal income taxation raised by the Pollock case. Two holdings in that case were that taxes on real estate and on personal property being direct taxes, a tax on the income therefrom is likewise a direct tax; and since the 1894 tax was not apportioned among the States according to population, it was void. The amendment without the clause "from whatever source derived" would have been adequate to overcome these two holdings. The addition of the clause indicates an intention to cancel for the future the further holding in the Pollock case that the interest from State and municipal bonds were not subject to the Federal income tax, irrespective of the apportionment point. Similar language in the 1909 act had been held by the Court adequate to embrace this subject; and indeed it is not easy to devise another form of words more embracing or more suitable for the purpose. Hence it is not surprising that Governor Hughes, as well as other public men, warned that the amendment would extend the taxing power to income previously exempt. The contrary view was also strongly expressed, but certainly the language of the amendment and its history supports Governor Hughes' view.

Journals of public opinion have recently emphasized the views held by Senator BORAH and Senator Root, but they all fail to mention subsequent events. Notwithstanding the speech of Senator Borah in the Senate, that the proposed amendment would not enlarge the national taxing power, and the opinion expressed by Senator Root, the Governors of Florida, Missouri, North Dakota, and Oklahoma, all agreed with the interpretation of Governor Hughes that the sixteenth amendment extended the taxing power, but nevertheless they urged its ratification. In fact, Governor Dix, who succeeded Governor Hughes, sent a message to the speaker of the Assembly of the State of New York in which he said:

Indeed, it seems to me that if the words "from whatever source derived" would leave the amendment ambiguous as to its power to tax income from official salaries and from bonds of States and municipalities, the amendment ought to be opposed by whoever adheres to the democratic maxim of equality of laws, equality of privileges, and equality of burdens. * * * It is impossible to conceive of any proposition more unfair and more antagonistic to the American idea of equality and democratic principle of opposition to privilege than an income tax so levied that it would divide the people of the United States into two classes (Dix Papers, pp. 533–541).

And it is significant that the Legislature of New York thereupon ratified the amendment, and not upon the heels of the speech of Senator Borah or the letter of Senator Root but immediately after receiving the inspiring message of Governor Dix. The message of Governor Dix took the subject out of the realm of metaphysics, in which the Supreme Court had shunted it by the doctrinaire distinction between the subject and measure of the tax, and returned it to the domain of the practical administration of a fair and progressive system of taxation.

THE REAL ISSUE

That is where the subject belonged and where, because of the President's proposal, it is today. No amount of specious pleading can obscure the real issue, which, simply stated, is whether or not we will continue to accept the principle of progressive income tax, only to permit it to be violated in practice through the recognition of tax-exempt income. The existence of tax-exempt income presents a serious menace to the graduated income-tax system. Before the principle that one should be taxed according to his ability to pay became recognized there was no difficult problem. Today, surely, there are few who would seriously dispute the statement made by Secretary Mellon in 1925 that:

Looking at the proposition logically, there is no reason for the existence of tax-exempt securities. There ought to be no refuge to which wealthy men can go and avoid income taxes when the Federal Government needs money. (1925. Annual Report of the Secretary of the Treasury, p. 354.)

Not only looking at the proposition logically but looking at it constitutionally, there is no reason for the existence of securities the income of which should be exempt from the income tax in the hands of private individuals or corporations. One would think from the stigma of unconstitutionality that unsigned articles in publications such as the Bond Buyer seem to attach to the proposal of the President, that there was a plethora of cases holding that Congress could not include the income from State and municipal securities in the income of a private individual or corporation subject to the income tax. And yet the Supreme Court has never, since the sixteenth amendment, been called upon to pass directly upon the power of the Congress to tax the interest from State and municipal bonds. Every income-tax act from 1913 to 1938 has expressly exempted the interest upon the obligations of a State or any political subdivision of a State.

Since the graduated income tax became an accepted part of our taxing system the whole question has never been carefully reconsidered by the Supreme Court. Whence comes this fear of permitting that great bulwark of the Constitution a chance to decide an issue of such transcendent social significance? Is it a fear of the wealthy that the Congress has the power to tax according to ability to pay? Is it a fear of the special pleader that his loose and recklessly written opinions on the "inherent" scope of reciprocal immunity will proclaim his lack of perception?

The most meticulous examination and interpretation of the cases will convince anyone that the immediate question is undecided and that the time has arrived when the opportunity for a complete reexamination of intergovernmental tax immunity should be given the Supreme Court. When it is generally admitted that tax-exempt privileges are economically unsound and politically unnecessary, who can fail to agree with the learned author of the article Tax-exempt Salaries and Securities: A Reexamination, which appeared in a recent issue of that conservative legal periodical, the American Bar Association Journal, that "Congress might do worse than pass legislation which would present the doctrine of instrumentalities for fresh consideration"? (Lewinson, Tax-exempt Salaries and Securities: A Reexamination (September 1937), 23 A. B. A. Jour. 685, at p. 692; see also CONGRESSIONAL RECORD, vol. 83, p. 2570.)

TAX EXEMPTIONS MUST BE DESTROYED

The existence of a large mass of tax-exempt income presents a grave fiscal problem. Progressive surtaxes cannot be made to operate effectively so long as the Federal, State, and local governments continue to issue securities which provide such an easy mode of escape from the surtax.

Simultaneously, both the States and the Nation are deprived of revenues which could be raised by those best able to supply them. The tax-exempt security holders may cry unconstitutionality, but they cannot plead equity, except as to securities they now hold. And the proposed legislation will touch upon only future issues.

No taxpayer will be harmed if the Supreme Court should hold the proposed legislation to end tax exemption unconstitutional. If any taxpayer who purchases a municipal bond issued after such legislation becomes effective pays an income tax on the interest, he would be entitled to a refund of his tax, with interest at 6 percent, if the law be held unconstitutional. The gravity of the issue warrants its submission to the Court for determination.

THE COURT DOES OVERRULE ITS FORMER DECISIONS

The Supreme Court is constantly reconsidering its decisions in light of the basic principles of the Constitution upon which they are based, sometimes limiting and sometimes overruling its past decisions. The Court has recognized, to

paraphrase the words of one of the wisest men who ever sat upon it, Mr. Justice Holmes, that it is revolting to have no better reason for a rule of law than that it was laid down in some earlier decision of the Court, and that it is still more revolting if the grounds upon which it was laid down have vanished long since, and the rule persists from blind imitation of the past. (Holmes, Collected Legal Papers (1921), 187.)

In *Flint* v. *Stone-Tracey Co.* ((1910) 220 U. S. 107), before the ratification of the sixteenth amendment, the Supreme Court had upheld a Federal excise tax on corporations measured by net income from all sources, including income from tax-exempt bonds. The Supreme Court has also upheld State excise taxes on corporate income similarly measured (*Pacific Co.* v. *Johnson* (1932), 285 U. S. 480; *Educational Film Corp.* v. *Ward* (1931), 282 U. S. 379). These cases unquestionably constitute a distinct departure from and are fundamentally irreconcilable with the principles of reciprocal immunity announced in earlier decisions. The Court has further held that capital gains realized from the sale of tax-exempt securities are subject to tax (*Willcutt* v. *Bunn* (1931), 282 U. S. 216), and that tax-exempt securities should be included in the assets of an estate taxable under the estate tax law (*Greiner* v. *Lewellyn* (1922), 258 U. S. 384).

It is moreover important to note that nearly all the cases purporting to hold that income from tax-exempt securities is exempt from nondiscriminatory income tax proceeded on the theory that the tax in effect was upon the property or obligation from which the income was derived.

Only 2 years ago, in the case of *New York ex rel. Cohn* v. *Graves* ((1936) 300 U. S. 308), the Supreme Court accepted the contrary theory and held that a tax on income is not a tax on the property or obligation from which the income is derived, but upon the person receiving the income. Mr. Justice Butler who dissented with Mr. Justice McReynolds, pointed out that such conclusion was inconsistent with the reasoning of the Court in *Pollock* v. *Farmers' Loan & Trust Co.* ((1895), 157 U. S. 429, 158 U. S. 601). And during the present term of court, Mr. Justice Cardozo has had occasion to point out that "many, perhaps most courts hold that a net income tax is to be classified as an excise" and that the decisions of the Supreme Court now "forbid us to stigmatize as reasonable the classification of a tax upon net income as something different from a property tax, if not substantially an excise" ((1937) *Hale* v. *Iowa State Board*, 58 Sup. Ct. 102, 105).

Once it is conceded that an income tax is not a tax on the tax-exempt obligation, it seems quite clear that an individual, no more than a corporation, should be relieved from a nondiscriminatory tax measured by income, because the income is derived from a tax-exempt security. As Mr. Justice Roberts, dissenting with Mr. Justice Brandeis in *Brush* v. *Commissioner* ((1936), 300 U. S. 352, 375), stated:

> It seems to me that the reciprocal rights and immunities of the National and a State Government may be safeguarded by the observance of two limitations upon their respective powers of taxation. These are that the exactions of the one must not discriminate against the means and instrumentalities of the other and must not directly burden the operations of that other.

The same reasons which justify the removal by statute of the reciprocal immunity from income taxation of Federal and State bonds, also justify the removal by statute of the reciprocal immunity from income taxation of the salaries of Federal and State officers. As the President stated in his message to Congress on April 25:

> The number of persons on the pay rolls of both State and Federal Government has increased in recent years. Tax exemptions claimed by such officers and employees—once an inequity of relatively slight importance—has become a most serious defect in the fiscal systems of the States and the Nation, who rely increasingly upon graduated income taxes for their revenues. Justice in a great democracy should treat those who earn their livelihood from government in the same way as it treats those who earn their livelihood in private employ. (H. Doc. 603, 75th Cong., 3d sess., pp. 2–3.)

The Supreme Court has itself narrowed the exemption in two important respects. Employees in so-called proprietary activities of State and local governments are not entitled to the exemption, as distinguished from those employed in essential or usual governmental functions, and independent contractors of State and local governments are not entitled to the exemption, as distinguished from regular employees of such governments. These limitations, in their application, have reaped a whirlwind of controversies and microscopic distinctions.

Mr. Justice Roberts in the Brush case summarized the situation as follows (*Brush* v. *Commissioner* (1937), 300 U. S. 352):

> The frank admissions of counsel at the bar concerning the confusion and apparent inconsistency in administrative rulings, as to the taxability of compensation of municipal employees, seems to call for an equally candid statement, that our decisions in the same field have not furnished the executive a consistent rule of action. The need of equitable and uniform administration of tax laws, National and State, and the just demand of the citizen that the rules governing the enforcement of those laws shall be ascertainable require an attempt at rationalization and restatement.

His conclusions as applied to the particular case were:

> The petitioner is a citizen of New York. By virtue of that status, he is also a citizen of the United States. He owns allegiance to each government. He derives income from the exercise of his profession. His obligation as a citizen is to contribute to the support of the governments under whose joint protection he lives and pursues his calling. His liability to fulfill that obligation to the National Government by payment of income tax upon his salary would be unquestioned were it not for the character of his employer.
>
> * * * I think the imposition of a tax upon such gain where, as here, the tax falls equally upon all employed in like occupation, and where the supposed burden of the tax upon State government is indirect, remote, and imponderable, is not inconsistent with the principle of immunity inherent in the constitutional relation of State and Nation.

In dealing with the doctrine of reciprocal tax immunity at the present term of Court, Chief Justice Hughes declared that hereafter "regard must be had to substance and direct effects" and the test in this class of cases will now be whether or not there is in fact a "direct and substantial interference" with the functions of government (*Helvering* v. *Mountain Producers Corporation* (1938), 58 Sup. Ct. 623 at 627). That the Court would apply a pragmatic test rather than adhere to a metaphysical attitude in cases involving reciprocal tax immunity was foreshadowed earlier in the term by the Chief Justice, who said the effort of the Court would be "in this difficult field to apply the practical criterion" (*James* v. *Dravo Contracting Co.* (1937), 58 Sup. Ct. 208) and also by the apt figure of speech of Justice McReynolds in a recent case that the exemption "is cabined by the reason which underlies the inference" (*Helvering* v. *Therrell* (1938), 58 Sup. Ct. 539 at 542).

TAX EXEMPTIONS

The reason underlying the supposed inference of reciprocal tax immunity is the principle of necessity. From its very nature, this reason is incapable of consistent application, because necessity in a political sense must vary in particular periods and circumstances. Not only is the judiciary inappropriate to make such a determination, but the confusion of the cases and the backing and filling of the decisions, indicates the elusiveness of the doctrine of reciprocal tax immunity when viewed in any practical perspective.

Congress has never enacted a statute declaring itself specifically on the issue. The Court has never had the benefit of the presumption of constitutionality which an enactment by the Congress would afford. Reciprocal tax immunity constitutes a grave problem which Congress must eventually consider, and the longer the delay, the more difficult will be the solution which must be found.

Reciprocal tax-exempt privileges which were originally conceived to strengthen Government finance and to protect the Federal system are today a serious menace. Men with great means best able to assume business risks have locked up substantial portions of their funds in tax-exempt securities. Men with little means who should be encouraged to hold the relatively secure obligations of the Federal and State Governments are obliged to pay a relatively higher

price than the very rich, because the tax-exempt privilege is of much less value to them than to those whose incomes fall in higher brackets. The continuance of tax-exempt privileges has become such a serious threat to the maintenance of any system of progressive taxation that the reality of the problem can no longer be denied. In the words with which the President closed his message:

The ending of tax exemption, be it of Government securities or of Government salaries, is a matter, not of politics, but of principle.

[Applause.]

The SPEAKER pro tempore (Mr. GREEVER). Under the previous order of the House heretofore entered, the gentleman from Ohio [Mr. FLETCHER] is recognized for 20 minutes.

Mr. LEA. Mr. Speaker, will the gentleman yield?

Mr. FLETCHER. I will be pleased to yield to the gentleman.

CIVIL AERONAUTICS BILL

Mr. LEA. Mr. Speaker, I ask unanimous consent that the conferees may have until 12 o'clock tomorrow night to file a conference report on the civil aeronautics bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

EXTENSION OF REMARKS

Mr. CONNERY. Mr. Speaker, will the gentleman yield to me?

Mr. FLETCHER. I yield.

Mr. CONNERY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein the statement made before the Rules Committee yesterday morning by Commissioner George Henry Payne, of the Federal Communications Commission.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. FLETCHER. I yield.

Mr. MAY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the bill (H. R. 10455), relating to the Army Medical Library and include therein a historical sketch written by the Surgeon General of the Army.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. FLETCHER. Mr. Speaker, I ask unanimous consent to extend my own remarks and include therein a statement by Mr. Charles P. Taft, of my State of Ohio.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

YOU ASKED FOR IT, MR. REED, AND HERE IT IS

Mr. FLETCHER. Mr. Speaker, the gentleman from New York [Mr. REED] has had printed in the CONGRESSIONAL RECORD a challenge to the Democratic Members of the House and puts that challenge in the form of a hope which he expresses in the following words:

"I hope," says Mr. REED, "that my Democratic colleagues will explain to the perplexed farmers just how the vast and ever-increasing flood of foreign farm products now entering our market is creating a more abundant life for American agriculturists."

Since what I have to say on the subject is in response to Mr. REED'S challenge or request for someone to reply to him, therefore, "You asked for it, Mr. REED, and here it is," would *seem to be* an appropriate subject or title for this friendly discussion.

In spite of the fact that the report of the American Institute of Public Opinion, better known as the Gallup poll, shows that the majority of the rank and file of the Republicans do not agree with Mr. REED'S attacks against trade agreements, nevertheless he keeps right on using such extravagant and flamboyant phrases as "vast and ever-increasing flood of foreign farm products now entering our markets," and so forth.

WHY MAKE THE SAME MISTAKE TWICE

With an adroitness that borders on genius he completely avoids admitting the facts as to the increase of American products that are being shipped out of this country into foreign markets to the enrichment of our farmers.

Does Mr. REED for one minute believe that the American farmers will be misled by his constant reiteration of old and cut-of-date figures?

Mr. Landon tried that in 1936, you will remember. We shall not blame Mr. Landon. He meant well. The figures were compiled for him, of course. He perhaps did not have a chance to make his own personal investigation because he was plunged into the vortex of a tempetuous campaign without having much oportunity to make a thorough preparation and therefore should not be too severely criticized.

NO EXCUSE FOR OMITTING LATEST FACTS

But there is no excuse for Mr. REED'S failure to use the latest data available. He has been here in Washington since the beginning of this session of Congress. He has had an opportunity to know all the facts. Had he cared to give completely accurate information he should have stated that the latest data available, the data nearest to "now entering" as he expressed it, shows that imports of agricultural products the first 4 months of 1938 in comparison with a similar period of last year, decreased by $259,000,000. Think of it! Yet Mr. REED talks about a vast and ever-increasing flood.

The amount of goods coming into this country from foreign countries about which the gentleman talks so earnestly has been reduced by 44 percent. So why try to frighten the farmers? Is it any wonder so many of the farmers have quit believing the politicans of the gentleman's party as indicated by their landslide vote?

WHAT NONSENSE!

Certainly a 44-percent decrease in goods coming into this country from foreign producers cannot be a matter which would perplex American farmers. According to the gentleman's political mathematics that would indicate a 44-percent benefit to the American farmers. Yet the gentleman goes right on ignoring these facts and glibly talks about the "vast and ever-increasing flood of foreign farm products now entering our markets," and so forth, and so forth, using all kinds of scare words to make the farmers believe the deluge is coming. What nonsense!

Many facts regarding the foreign trade in agriculture products in the United States are exact opposite of the statement made by the gentleman from New York [Mr. REED]. American farmers have been increasing their share in foreign markets in recent months.

For example, in the first 4 months in 1938 the American farmers shipped 29 percent more agricultural products out of this country to foreign consumers than in the same period in 1937 and with increasing prosperity to our farmers. The trade agreements, which Mr. REED and a few of his diminishing faction deplore, are now regaining part of the lost market which was lost when his party was in power.

WHY DOES HE NOT EXPLAIN THIS?

Should Mr. REED care to bring out all the facts so the farmers might have the advantage of knowing all the truth, then why does he not explain how, when his party was in power, the farmers lost a foreign market for agricultural products of more than $1,000,000,000 from 1929 to 1932? Yes, under Mr. REED'S party, the loss of foreign markets to the farmers of this country totaled more than $1,000,000,000. Why not give the farmers all the facts?

The average imports of agricultural products for the years 1927–29 brought into this country from abroad amounted to $2,180,000,000, while the average imports for 1935, 1936, and 1937, under the Roosevelt administration, amounted to only $1,298,000,000, or $882,000,000 less; in the terms of Mr. REED'S reasoning, a gain, under this administration, of $882,000,000 to the advantage of the farmers of this country.

DO YOU REMEMBER THE HOOVER DAYS?

The gentleman from New York mentions the figures of imports way back in 1932, when the Republican depression was dragging everybody down to the bottom, possibly thinking that farmers might forget the dreary Hoover days when business was crashing and banks were closing and thousands were committing suicide as a result of bankruptcy.

In 1929, when the United States imported $2,218,000,000 of farm products over here to compete with the American farmers, did Mr. REED's party hand over the best cash market to foreign farmers? That figure, remember, is just $636,000,000 greater than the imports of agricultural products in 1937, the basis of the gentleman's complaint.

REPEAT, LEST YOU FORGET

Let me repeat it. On Mr. REED's theory the American farmers' cost in competition in goods imported from abroad in 1929 was a total of $636,000,000 more than from similar competition in 1937 under the New Deal.

Farm income of about $8,500,000,000 for 1937, the best year since 1930, shows plainly enough the conditions of the American farmer much better than a few scattered, isolated figures of increased agricultural imports compared with the imports for 1932 when the farm income was approximately half the figure for last year. This increase in income was shared by the cattle, cream, cheese, poultry, corn, apple, tomato, turnip, hay, and other producers of farm products.

DAIRYMEN GAIN $50,000,000

Mr. REED has much to say about the dairymen in New York State and would have you believe they have been greatly damaged by the trade-agreements program which he denounced.

If the gentleman had taken the trouble to examine carefully the records of the New York dairymen, he surely would have hesitated to dwell over long on that issue, because official figures show the cash income of New York dairymen and livestock producers in 1934, before the trade agreements of which he complains, amounted for the fiscal year to $159,000,000.

In 1937 under the Roosevelt administration this cash income had increased to $210,000,000, an increase or gain of more than $50,000,000 for the New York dairymen and livestock producers.

In addition to neglecting the inclusion of this gain of some $50,000,000 to enrich the dairymen of New York, the gentleman also failed to mention the fact that the duty reduction on cream to which he refers applies only to 1,500,000 gallons per year, an insignificant quantity of domestic consumption.

Further, had he taken time to examine the record, he would have found that the imports of cream after the duty was reduced amounted to only 136,622 gallons—Department of Commerce figures—in 1937, or only 9 percent of the above quota. Why did the gentleman not show these cream figures in his import table of 23 items? The answer must be obvious to you.

CHICKENS, DUCKS, GEESE

Then the gentleman talks about the suffering of the poultrymen as a result of the lowering of the tariff. He refers to live chickens, ducks, geese, turkeys, guineas, and so on down the line. The improved conditions of the poultry producers during 1937 were very similar to those depicted for Mr. REED's dairy farmers. Prices were good and there was a steady market for their products. It is true that imports of some poultry have increased over the depression levels of 1932, but they have been negligible in comparison with the domestic production. These imports, I estimate, would not be enough, if placed two in a pot, as advocated by Mr. Hoover, to supply the American market with poultry for a single 24 hours of the year.

THE RECORD SHOWS MR. REED 100 PERCENT WRONG

From Mr. REED's remarks it would seem he is quite proud of what he says is a fact—that every Republican in New York State voted as he voted on the tariff issue. He says that only one Republican in the entire Nation voted the other way or, as he says, "voted to bring down upon the farmers the ruinous competition of foreign peon and peasant labor."

If Mr. REED means by this statement that no Republican in New York voted for the Trade Agreements Act, we might ask if his colleague, Mr. BACON, a statesman who had the courage of his convictions to cast aside the old Republican tariff shibboleths and vote for the extension of the act, is not one of the outstanding Republican leaders. So when Mr. REED says that he is proud of the fact that every Republican in New York State voted against the act, he is just 100 percent wrong in his statement, as the voting record shows.

Also, the CONGRESSIONAL RECORD shows, in addition to Mr. BACON, Mr. WELCH, of California, and Mr. HARTLEY, of New Jersey, two other very prominent members of the Republican Party, who voted for the extension of the Trade Agreements Act.

HERE AGAIN RECORD SHOWS MR. REED 100 PRECENT WRONG

Furthermore, it would seem he owes some apology to these able Republicans when he suggested that they voted to "bring down upon the farmers the ruinous competition of foreign peons and peasant labor."

Mr. REED placed in the list of those Democrats voting against the original act in 1934 Mr. GRAY of Pennsylvania, who was not in the House at the time. Mr. GRAY of Pennsylvania is recorded as voting for the extension of the act in 1937. Again the record shows Mr. REED to be 100 percent wrong. Such carelessness in making inaccurate statements will hardly be considered excusable by the farmers who are interested in the truth.

In another speech I made at this session of Congress I listed many of the outstanding leaders of Mr. REED's own party who are absolutely opposed to his point of view; among these great Republican leaders are such men as Mr. Stimson, Secretary of State under ex-President Hoover; the late Ogden Mills, long a Member of Congress from New York, candidate for Governor of New York State, Secretary of the Treasury in the Hoover administration, and for some time mentioned as a candidate for President. Then only recently another man who is now being talked of as a possible Presidential candidate in 1940, Hon. Frank Knox, Vice-Presidential candidate on the Republican ticket with Mr. Landon, came out in direct opposition to the views expressed by Mr. REED of New York.

SIXTY-ONE PERCENT OF YOUR OWN PARTY ARE AGAINST YOU ON THIS ISSUE, MR. REED

The American Institute of Public Opinion in the Gallup poll printed Wednesday, March 16, 1938, showed that 61 percent of the members of your own Republican Party are opposed to you on this proposition.

When you find 61 percent of your own political party against you on this issue, is it not about time for you to stop, look, and listen, or is this another case of "everybody out of step but Jim"?

Well, Mr. REED, there you are. You stated in the CONGRESSIONAL RECORD that you hoped your Democratic colleagues would explain. So in our very humble way we have tried to comply with your request that somebody answer you. You asked for it, Mr. REED, and here it is, and in the friendliest spirit, too, please be assured.

GOVERNMENT MONETARY CONTROL

Mr. BINDERUP. Mr. Speaker and fellow Members of Congress, there is a law that is as definite as is the law of gravity; it is as certain as is light and the sunrise. It is the quantitative philosophy of money, that money is the lifeblood of trade and industry, that money measures things and things measure money, each measures the other according to its own abundance as compared with the abundance of the other. If you double the amount of money in circulation you double the price of everything, by doubling the price of everything you divide your debt as it now takes only half the amount of labor or commodities produced to pay the same debt. If you

divide the amount of money in circulation you divide the price of everything and you double your debt for now it takes twice the amount of commodities or of labor to pay the debt. Fellow Congressmen, you cannot raise the price of a few articles out of the general established price level without reducing the consumption of these articles in exactly the proportion as you raised their price above that of the general price level.

Mr. FLETCHER. Will the gentleman yield?

Mr. BINDERUP. I yield to the gentleman from Ohio.

Mr. FLETCHER. The gentleman states that the Chairman of the Federal Reserve Board knows no remedy at all, nor has he even an idea identified with a possible remedy?

Mr. BINDERUP. Exactly.

Mr. FLETCHER. He has no idea of a remedy for the recurring panics in this country?

Mr. BINDERUP. According to his own statement he has no remedy or no way of preventing booms and depressions. He did say recently, however, when asked, that he and his department were still studying but that he knew of no solution. And he was right as long as they insist on working through our present monetary policy and banking system of the United States, a system that is interested in our failure to solve the problem so that they may continue to create the Nation's money supply. It is indeed alarming and criminal to consider that since 1933 we have donated $11,000,000,000 to the banks of the Nation for the privilege of creating our own money, and we will be paying interest thereon forever unless Uncle Sam changes his policy and pays up, which he has never done.

However, my bill does provide for paying every bond when due, paying for them in just the same way that the banks paid for them when they bought them from the Government, paying for them by giving the banks credit on the books of our banks, the Federal Reserve banks, which become Government-owned banks, subtreasuries of the United States—a switching of credits. We should learn something from doing business with the banks for 150 years. We should learn enough to know that if the banks can buy Uncle Sam's bonds when issued for figures on their books, that we can buy them back for figures on our books when due.

Mr. FLETCHER. May I ask the gentleman if he knows of any man representing any financial, industrial, or business group in America who has been down here in the last 5 years before our committee who has offered any constructive, hopeful remedy for the situation that confronts us? If that statement is true, does the gentleman not think it is quite unfair for any of these gentlemen to presume to criticize the gentleman from Nebraska [Mr. BINDERUP] for attempting to offer the Congress of the United States a solution as he sees it?

Mr. BINDERUP. We are always glad to be criticized. It is criticism, you know, that crystallizes any thought, and I am glad to be criticized. I have asked many Members of Congress, "Have you a plan?" I ask the Members of Congress now, "Is there anyone who has a constructive plan?" Is there anyone who will claim that we have done anything constructive in the Congress during the last 6 years, anything fundamental, in finding the cause and cure of depressions and money panics, or anything before that time? Have we ever done anything constructive in the way of controlling our monetary supply? Is there anyone in this Congress who has a plan? If there is, I would like to give them my time so that he may rise and explain what plan he has to bring about prosperity and eliminate the disastrous way in which we are managing our financial affairs. We are going into debt more and more under our financial policy, with absolutely no hope for the future. I leave it to the Congress and merely ask, "Is there anyone here who has a plan?" What, no reply? Is there no one here who even has a suggestion? If there is not, then I am free to say I have a plan, definitely, positively, and absolutely. And I challenge the world. But my plan excludes any special group such as the bankers, from monetary control and includes only the people, with full protection to the small commercial banks, more than they have ever had during the history of banking.

My monetary control plan is not entirely original with me. I borrowed my plan from Thomas Jefferson. I borrowed it from John Adams. I borrowed it from Abraham Lincoln, from James G. Blaine, James A. Garfield, William Jennings Bryan, and from all thousands of other statesmen who have come before. It is not my idea alone. I am just borrowing the plan originated in the main by our greatest statesmen in the past history of our country, a plan for monetary control, that is all. My plan is just a fulfillment of article I, section 8, of the Constitution. A most important provision of the Constitution, one which has never been fulfilled because of the power of money controlled by great financial interests and international bankers, who have always been against us and who, consequently, have thwarted us in every one of our great efforts for progress and the fair and equitable distribution of the Nation's income and wealth.

I mentioned Blaine. There are no writings greater than Blaine's writings. I want to quote from the many things he said. He made this statement on the floor of this House on the 10th of February 1876:

> The money question should be approached in no spirit of partisan bitterness. Firmly attached to one political party myself, I still think there are questions to which the parties should agree never to disagree and that these are the essential nature and the value of money, the circulating medium of exchange.

I say that the plan I bring you is not entirely my own, but I am proud of the plan, for it has the approval, if you please, of the Nation's greatest economist, Prof. Irving Fisher, of Yale University, who says that no greater piece of legislation was ever introduced in the Congress of the United States. It has the approval of our own ex-Senator Robert L. Owen, who is 100 percent for it. And he is one of our greatest economists, one who also ranks among the Nation's greatest monetary students, who was for 12 years chairman of the Banking and Currency Committee of the United States Senate. It is approved by Robert H. Hemphill, who was for many years credit manager of one of our Federal Reserve banks.

I traveled all over Europe discussing this bill with the greatest students of monetary science of these countries. In Denmark, Sweden, England, France, and Germany. This to gain knowledge from the world's outstanding economists. Such men as Dr. Cassell, of Stockholm, Sweden, who approved the principles of my bill 100 percent. Professor Soddy, of Oxford, England, recipient of one of the Nobel prizes, who said, "Only your great America could pass so great a bill." It is to Professor Soddy we are indebted as being one of the leading pioneers in advocating the 100-percent reserve plan. It was he who said:

> If you can pass this bill in America you have done more for humanity than any nation in history, Mr. BINDERUP, for it will set a pattern for the entire world. You will not alone redeem your own Nation, but the example you will set will redeem the world.

Those are the words of Professor Soddy, of Oxford, England. So when you ask me if I have a plan, I say, "most definitely and absolutely." And in governmental monetary control the first thing is the plan for preventing the 15,000 private banks of the country from minting and unminting our money supply; raising the price level of all commodities by an abundance of check-book money, printing-press money, as I explained yesterday in the example of my 12 brindle cows, and then knocking the price level down again by withdrawing or destroying this same check-book money.

Mr. CRAWFORD. Mr. Speaker, will the gentleman yield?

Mr. BINDERUP. I yield to the gentleman from Michigan.

Mr. CRAWFORD. Is the gentleman now going on to the question of 100-percent reserves?

Mr. BINDERUP. I was not going into that, in detail, right now, but I am pleased to answer a question on that subject.

Mr. CRAWFORD. If it is in accordance with the gentleman's plan, could he in this afternoon's session give us some idea of how he will transfer the present demand deposits and the whole reserve asset proposition into a 100-percent reserve?

Mr. BINDERUP. Yes; I will be pleased to. It is a little ahead of my program, but I will do it anyway. I will take an example because I believe a plan is always most easily understood and explained when we can show an example; so I have taken just at random a little statement out of the newspapers with respect to a little bank out in my territory. I want to put this bank on a 100-percent reserve basis. Today the bank does not lack anything in establishing 100-percent reserves back of demand deposits because we have contracted our money supply during the past 6 months, between two and three billion dollars. Meaning we have contracted our demand bank deposits, which, as I have stated, constitutes about 97 percent of our money supply, which is to say that the banks have canceled between two and three billion dollars of their fountain-pen money, that which the people were using for money. However, when this statement came out this bank was short $58,174 of having 100-percent reserves for its demand deposits [pointing to chart showing bank statement of Keystone Bank and plan for placing it on 100-percent reserve basis]. This is one example, but it pictures the situation or furnishes the explanation for all banks.

There are two ways for placing all banks on 100-percent reserve system, with Government assistance which will not cost either the banks or the Government one cent. First, you will notice that this particular bank would be short, at the time the statement was made, approximately $58,000. So Uncle Sam will say to this bank—and remember I am using this bank statement as a definite picture of all banks—"You are short $58,000 of being able to comply with our program of 100-percent reserves back of demand deposits, you must be solvent so that we will have no more bank failures in the United States. Therefore, we, the monetary authority, an agent of the Congress, will assist you, first, by taking charge of your Government bonds, which are eligible as reserve back of demand deposits. These are placed with the Federal Reserve bank of the district in which the bank is located, which Federal Reserve banks under this bill will be Government banks or subtreasuries of the United States. However, as you note these bonds, together with the cash the bank has, still leaves it short $57,000 of a sufficient amount for the 100-percent plan. We then say to the bank that we will take their slow paper, that they may deposit this paper, in the amount they are short, with the Federal Reserve bank and receive credit for it as a part of the reserves, thus putting the bank on a 100-percent demand deposit basis. This applies, of course, only to demand deposits as of the date on which the act goes into effect.

The bank of course will continue to draw interest on the Government bonds it has so deposited until they are due. When they are due the Government will redeem them by giving the bank credit on the books of the Federal Reserve bank in like manner as the banks gave the Government credit when it first turned the bonds over to them. This credit would be convertible into legal tender when if necessary and at the option of the Federal Reserve Board, the agent of Congress. All new credit that is created and placed into circulation and used as money will, after this plan is adopted, as I have previously explained, be created by and first placed into circulation by the Government.

As prices become stabilized in line with the 1926 price level, under this plan, and the slow paper which the bank had deposited becomes desirable paper, the bank may redeem it, unless, of course, in the meantime it has become due and paid. In order to make it possible for the banks to redeem this paper, our bill provides that the Reconstruction Finance Corporation will purchase preferred stock in the bank in question in an amount sufficient to meet the bank's requirements for this purpose.

Thus under this plan commercial banks will have either cash, Government bonds, or credit on the books of the Federal Reserve bank in the full amount of their demand deposits. These demand deposits will absolutely be safe to their owners, bank failures will be a thing of the past, the Government will have complete monetary control, we will be obeying for the first time the provisions of the Constitution and booms and depressions will be forever eliminated.

Mr. Speaker, as a part of my remarks I include at this point copy of a letter addressed to me by Mr. Edward E. Kennedy, secretary to the National Agricultural Conference, also copy of resolutions passed by this National Agricultural Conference at meeting of the conference held at the Raleigh Hotel, Washington, D. C., June 2, 1938:

NATIONAL AGRICULTURAL CONFERENCE,
Washington, D. C.

Hon. CHARLES G. BINDERUP,
House of Representatives:

The National Agricultural Conference, Monday, sent to you a letter describing our first meeting and enclosing the resolutions adopted, one of which calls for increasing the cash income to the farmer through mandatory monetary legislation by Congress, providing sufficient currency to raise the agricultural price level to at least that of 1926.

The ruinous low prices of farm commodities today indicate disaster to the farmer, which means disaster to all. Unless agricultural prices are raised immediately, we who are given to economic study know that business will soon collapse.

We now learn that a group of earnest, conscientious Members of the House of Representatives are circulating a petition to keep the House in session until the agricultural price problem is solved through mandatory monetary legislation. Because of the resolutions adopted by the National Agricultural Conference we necessarily urge your cooperation in affixing your signature to the petition and in inducing others to sign.

It may be that an alert electorate would prefer sincere efforts to remedy present conditions as the best evidence of service to a suffering constituency. Millions all over the Nation may ask if Congress should adjourn in the midst of this cruel recession.

In an account of one of the most bitterly contested primary campaigns for a seat in the United States Congress, the contending candidate is saying, "If ——— (the incumbent) will stay in Washington and attend to the business that you taxpayers are paying him for attending to, I'll cancel every political speaking date between now and the primary election."

Every intelligent person in America recognizes that uncontrolled deflation is the cause of the deplorable condition. By every rule of elemental logic, controlled expansion of the currency must be the cure.

We urge support of the petition and the concentration of congressional effort on recovery.

Sincerely yours,

EDW. E. KENNEDY,
Secretary to the Conference.

RESOLUTIONS UNANIMOUSLY ADOPTED BY THE NATIONAL AGRICULTURAL CONFERENCE HELD AT THE RALEIGH HOTEL, WASHINGTON, D. C., JUNE 2, 1938

Whereas no nation experiences a permanent prosperity unless agriculture is prosperous; and

Whereas increased cash income to the farmers of the country is followed in a varying but short period of time by increased total wages paid to labor, increased factory production, increased flow of goods through the channels of distribution, increased use of transportation facilities, and increased national income; and

Whereas the prices of agricultural commodities and other basic raw materials have fallen to new and ruinous low levels, and a vast army of unemployed accompanies the agricultural recession; and

Whereas if agricultural income be raised to at least $15,000,000,000, national income would then approximate $100,000,000,000, thereby providing adequate income to each of the various economic groups, including agriculture, labor, transportation, business, and industry, and all other elements of our national economy; and

Whereas the debt structure of the Nation is an ever-increasing burden; and

Whereas the incidence of taxation is being rapidly shifted from those that have the presumed ability to pay to the consumers, which means to the farmers and to the workers; and

Whereas the recognized objective of the Congress and the administration since 1933 has been to restore the 1926 price level; and

Whereas the free flow of capital is inhibited by a capital-gains tax which freezes capital into the channels of its investment for certain periods of time, with the effect of curtailing adventurous capital into new investment: Now, therefore, be it

Resolved, That in order to check the recession, increase employment, expand production, increase consumption, encourage free and sound investment, increase the national income, thereby automatically balancing the Budget, that it is the sense of the National Agricultural Conference that increased cash income be accomplished by constructive mandatory monetary legislation by the Congress of the United States providing sufficient currency to raise the agricultural price level to at least that of 1926; and be it further

Resolved, That it is the sense of this conference to shift the incident of taxation to those with the ability to pay and away from the consumers; and be it further

Resolved, That we favor the abolition of the capital gains tax in order to effect the free flow of capital; and be it further

Resolved, That we believe that a new and permanent prosperity for agriculture, labor, and business can be effected through the increase in agricultural cash income through such monetary legislation and the shifting of the burden of taxation and the elimination of the capital-gains tax.

Mr. Speaker, may I call your attention to the fact that at this conference agriculture was represented by six nationally known farm organizations, labor was represented by the American Federation of Labor and affiliates, and that small business was represented by the independent retailers through their own organizations. Sixty-five delegates from Massachusetts, New York, Pennsylvania, Ohio, Maryland, South Carolina, Alabama, Louisiana, Texas, Oklahoma, Tennessee, Kansas, South Dakota, North Dakota, Illinois, Indiana, Minnesota, Michigan, and the District of Columbia paid their own expenses to attend this conference. At the informal dinner in the evening over 40 Members of the House of Representatives attended, while due to a night session many Senators were obliged to remain on duty but sent their regrets. Five Senators attended during part of the evening.

The meeting was addressed by Louis J. Taber, master of the Grange; William Green, president of the American Federation of Labor; B. H. Inness-Brown, attorney and tax expert; Hon. William Lemke, Member of the House of Representatives; Senator Ellison D. Smith, chairman of the Committee on Agriculture and Forestry of the United States Senate.

You will note that this conference, which well represented agriculture, labor, and industry, which represented by far the greater part of the purchasing and consuming power of the United States, goes on record in this resolution by declaring that its objectives can be accomplished, first, by constructive mandatory monetary legislation by the Congress of the United States providing sufficient currency to raise the agricultural price level to at least that of 1926. I submit that this is a full endorsement of my monetary proposal.

The Federal Reserve banks have three ways to take money away from the people—deflation—but are absolutely destitute of a plan for putting money back into circulation. And every man acquainted with our economic system knows that Uncle Sam grows 4 percent a year in population and increased industry. In the year 1932, for example, we should have added to our money supply—forced into the arteries of trade and commerce—no less than $1,614,000,000, but we have no way of expanding our money supply unless we donate the privilege to the big banks as we have done in the past. Is it not alarming, ridiculous, and criminal that in the 4 years from 1933 to 1937 we donated to the banks the right to issue $11,000,000,000 with a fountain pen, with absolutely no cost to them whatsoever, and even this amount was entirely insufficient as, in addition to this, in order to keep up with the price level of 1926 we should have issued almost $14,000,000,000 more, and as this was not done our prices have fallen until today they are as low as in 1933. What a crime, and what a lack of monetary knowledge on the part of Congress.

Is it any wonder we are in misery and poverty in the midst of plenty? We should have expanded $1,614,000,000 and in place of this the banks contracted our money between two and three billions of dollars. We should have added to Uncle Sam's lifeblood—money—and in place of this our banking system bled Uncle Sam of almost $3,000,000,000 by collecting in old loans and refusing to make new loans. But let it always be remembered that the individual bank must not be blamed. It is the corrupt system that is destroying us.

We base all our money on loans, and when the loans are collected and no new loans are made, we are short this amount. What a crime to base our money on debt. If we pay our debts, the Nation runs out of money and we all go broke; and if we do not pay our debts, the sheriff takes our property. If we have prosperity, all the $37,000,000,000 worth of Government bonds will be flooded on the market and all the banks will fail, as this will reduce the par value of bonds, and even 10 points lower would amount to $2,000,000,000 loss to the banks that hold our bonds. And this would in turn break the entire banking structure of the Nation. And so, if we have prosperity, we will go down with the banks, and if we do not have prosperity, our debts will bankrupt us. So it is damned if you do, and damned if you do not. What a joke if it was not so serious.

Every dollar you have is based on debt. Either you borrowed it yourself or the person who paid you somewhere back in the line borrowed it from some bank. And as I said in the beginning of my talk, we have three ways of deflating our money supply—taking money away from the people—and no way of expanding our money supply. It is like an automobile with three sets of brakes to stop it and no engine to propel it. Three plans for taking money out of circulation—deflation. Three plans left to protect the creditor and no plan for expansion, the protection of the debtor. Well, something had to be done, so the economists of the Federal Reserve Board suggested, and the Board agreed, that they would take one of the mechanics remaining and remodel it and turn a deflation mechanic into an inflation mechanic. Trying to use the plan of selling bonds to accomplish what they had failed to do buying bonds. And so with this childish plan we are working in Congress selling billions of dollars in bonds, and in every case we are deflating in place of expanding.

Now, let me explain. We sell our bonds to the big banks and get credit on their books. We use this credit as money and check on the banks. Now, this would not be so bad, even though it does cost us the unreasonable sum of a billion dollars a year. But these big banks now sell these bonds to the 15,000 smaller commercial banks scattered over the Nation, and then these same bonds act as a sponge going out over the Nation and absorbing all the little butter-and-egg money in demand and time deposits, bank surpluses and dividends, sent to New York to buy Government bonds, thus robbing the great rural districts of their lifeblood of trade and industry, the wheels of industry and agriculture, and centralizing all our money in the big banks, where it remains idle until Uncle Sam runs out of money, when we again issue bonds, get some more credit, and once more rob the Nation and the people of money by centralizing it in our big banks. The eternal triangle, the everlasting merry-go-round.

There is another matter that I am asked a great deal about. It is the crime of 1920, when the 52 bankers assembled in the room of Mr. Harding, the Governor of the Federal Reserve Board. But I will not have time to go into this today, except perhaps for a few questions.

Mr. HILL. Mr. Speaker, will the gentleman yield?

Mr. BINDERUP. I yield to my friend, the gentleman from Washington.

Mr. HILL. Since the subject of 100-percent money is one of the primary principles, and since it is new to many and very important, would it be agreeable to the gentleman from Nebraska to go back over this again briefly and give a short explanation?

Mr. BINDERUP. I think this is a good suggestion, and will comply with the request of the gentleman from Washington [Mr. HILL].

According to the report of all banks—117 small banks estimated—at the close of business December 3, 1937, in response to the call made by the Comptroller of the Currency, a recapitulation of all banks showed the following: That demand deposits of individuals, partnerships, and corporations doing a banking business in the United States were $23,200,000,000, and all the banks held to offset this amount was $7,705,000,000 cash, $14,750,000,000 in Government bonds, and $745,000,000 in commercial paper. So, according to this report, on this date all the banks, in order to establish 100 percent back of demand deposits, were short in cash $15,495,000,000. Meaning that if there should be a lack of confidence, and a rush on the banks should be made, such as we had in 1933, the banks today would be short $15,495,000,000.

So the Government says to the banking system of the Nation, "This is dangerous. You must be liquid so that if all the depositors of the Nation call at their bank on the same minute, each one will get all his money. That is a safe banking system. That is the kind of system that lends the maximum velocity to our money supply. But," says Uncle Sam, "this is impossible unless the Government helps you do this. So we will take over all the Government bonds you hold, which is $14,750,000,000 worth, and hold them in our vaults in our 12 Federal Reserve banks, our subtreasuries, and if there is a run on any bank you can check on us for the amount of these bonds. And you also hold about $7,705,000,000 in cash that is now in the Federal Reserve banks. That we will continue to hold. But even then you are short $745,000,000, so we will take over second-class paper with your guarantee which we will hold and collect after renewals for 2 years." By raising the price level and creating a prosperous condition in our Nation once more this paper will become good, so there is no loss to anyone. But in case a bank wants to take this over when times are better, and within 2 years, and prefers to sell to the Government preferred stocks at 1½ percent interest and take their paper back, that is optional with the banks. Meanwhile we have helped the man who owes the note by not forcing collection, and we have helped the banks as well. And with no cost or inconvenience to the Government, and with a guarantee to the people that their demand deposits will be safe. And it did not cost a cent to do this—just a little good will.

But there is another important and comforting feature. In my bill we liquidate the entire Government debt likewise without the slightest inconvenience to the banks and without the slightest cost to the Government. In the first place it must be remembered that the cash all the banks have deposited in the Federal Reserve banks and cash deposited in other banks, as well as the Government bonds, represent the people's money deposited in the banks. So we hold the cash now on deposit exactly as at present and we also hold the people's bonds that the banks bought with the people's money. The banks continue drawing exactly the same interest as they are drawing now on Government bonds and notes deposited. They are not now getting interest for cash deposited in the Federal Reserve banks or other banks, but under this bill the banks are in the possession of the Government's 12 Federal Reserve banks, subtreasuries of the United States, for safekeeping, held there to safeguard the people and stop bank failures. But when the bonds become due we merely continue holding these; the only change is that when the bonds are due we quit paying interest. We continue holding our own bonds to back up the people's demand deposits, but the bonds now belong to the people in place of to the banks. When we took these bonds over for safekeeping we credited the banks for the full amount of these bonds on the books of the Government and assumed the entire responsibility for demand deposits. Thus we purchased back our Government bonds for figures on our books, just exactly as the big banks bought our bonds originally for figures on their books.

So now our people are checking on the Government's credit, in place of the banks' credit. And the people own their own bonds in place of the banks owning our Government bonds. And we played just exactly the same trick on the banks that the banks played on us. And we have now accomplished exactly what we should have done in the first place, based our checkbook money on Government credit in place of bank credit, the same credit that is back of our Government bonds, and the same credit that is back of all our money. And remember, 97 percent of our money (circulating medium) is checkbook money. We have now positively stopped the banks from minting and unminting the Nation's money supply. We now have complete monetary control, and can expand our money supply ourselves in a scientific manner, in exactly the right amount to maintain a price level that robs neither the creditors nor the debtors. And listen, please; let me repeat the words I have said so often. The plan is 100 percent righteous. Not a soul is hurt nor harmed in the least, and our people and our Nation are saved. And it did not cost the Government a cent to pay all its debts that have been worrying the people so terribly, and it did not cost the banks a cent. It is just doing business with a fountain pen, but Uncle Sam is holding the pen. That is all the difference.

This entire plan is explained in detail in our booklet, Uncle Sam's Hospital Chart.

Mr. CRAWFORD. Will the gentleman yield?

Mr. BINDERUP. I yield to the gentleman from Michigan.

Mr. CRAWFORD. Can the gentleman inform us whether or not it was from this meeting that instructions were given to Mr. Forgan, of Chicago, and also the banker from Kansas City, to go home and proceed to curtail agricultural loans?

Mr. BINDERUP. Exactly. And every member bank of the Federal Reserve System and even nonmembers of the Federal Reserve System were instructed to curtail loans and restrict new loans.

Mr. CRAWFORD. And begin foreclosure on agricultural loans?

Mr. BINDERUP. Yes. I thank the gentleman for his contribution. This was the beginning of the great tragedy that wrecked the Nation. It was the Federal Reserve crime of 1920.

Mr. CRAWFORD. Those men had specific instructions at that meeting to proceed accordingly?

Mr. BINDERUP. The gentleman is exactly right. And it was because of this action in this secret meeting of the 52 bankers that no less than $10,000,000,000 were taken from the people and the Nation bankrupted. "We all know if the bankers of any community, large or small, are to close the screws on too tight they can bring disaster to the community which will spread to other communities." Those were the words of Governor Harding in addressing the members.

So those men did know they were playing with fire. They said, "Be careful that you do not put the screws on too tight, because if you do you can destroy the Nation." They did put the screws on too tight, and they did destroy the Nation, in an effort to reduce the volume of money and increase the purchasing power of their interest dollars.

Mr. FERGUSON. Will the gentleman yield?

Mr. BINDERUP. I yield to the gentleman from Oklahoma.

Mr. FERGUSON. Where is the analogy between that situation in 1920 and the situation today when the Federal Reserve is urging the extension of credit to its member banks and is broadening the base of the security on which loans can be made; in other words, making every effort to expand credit.

Mr. BINDERUP. Yes; there is no question about that, but they have depleted the people absolutely of their equity. The people of our Nation are bankrupt. Farm values fell directly after this meeting, this unpardonable crime against the people, wiping out the farmers' equities, and in every other business the same slump, except in the case of the big bankers. The Nation is bankrupt. When President Roosevelt said "one-third of our people were bankrupt," he might better have said two-thirds of our people are made paupers by this action of the banks. Therefore the paramount issue before this Congress is monetary control by our Government, and taking this unreasonable privilege away from the big bankers.

Mr. VOORHIS. Will the gentleman yield?

Mr. BINDERUP. I yield to the gentleman from California.

Mr. VOORHIS. In the first place, does not the gentleman agree that the most serious feature in connection with what the gentleman from Michigan said about the bankers being instructed to go home and curtail loans to agriculture was a fact it not only affected the individual farmer who got the loan but in effect what he was being told to do was curtail the total monetary supply of the United States?

Mr. BINDERUP. And they deliberately and definitely instructed the member banks of the Federal Reserve System to take the people's money out of circulation so dollars could buy more according to their scarcity.

Mr. VOORHIS. With reference to what the gentleman from Oklahoma said, is it not true that whereas the Federal Reserve Board has ample power to curtail and restrict the amount of money in circulation, the only thing they can do if expansion is desired is to put the banks in the position where further loans can be made and then hope and pray piously that the banks will lend and somebody will borrow? If they do not, there is no expansion.

Mr. BINDERUP. Yes. Under our present system, there can be no expansion of our money supply unless the bankers loan and the people can borrow. Every dollar in circulation represents somebody's debt, except our greenbacks and our silver certificates; altogether about one and one-half billion dollars.

Mr. RICH. Will the gentleman yield?

Mr. BINDERUP. I yield to the gentleman from Pennsylvania.

Mr. RICH. Had the Federal Reserve in 1931 functioned as it was intended to function, by making loans to individual banks at a time when people needed money, even to the extent it might have wrecked the Federal Reserve, it no doubt would have saved the individual banks and the Federal Reserve would have accomplished a great good.

Mr. BINDERUP. The gentleman is exactly right.

Mr. RICH. And instead of that they tightened up and prevented the law from functioning as it was intended to function?

Mr. BINDERUP. Yes. They raised the price level high by extending credit liberally up to $48,000,000,000 and then refused credit and all values fell to the bottom—refusing assistance when it was necessary through the erroneous plan of the Federal Reserve. In boom times they would give people all they wanted and in depression times take it all away from them.

Mr. RICH. The individuals in the Federal Reserve were the bankers who were trying to save their own institutions rather than function as the law expected them to function?

Mr. BINDERUP. Yes; the gentleman from Pennsylvania is right.

Mr. FERGUSON. May I ask one thing more? From the gentleman's study of depression, is this not the only depression in which credit is available and not being curtailed? Has there ever been a depression the same as this one, when credit was available and there was no contraction of the currency?

Mr. BINDERUP. Apparently there is plenty of money—dormant bank deposits in the banks—but what good is that when the people cannot get it? It may look like available money or credit, but when the people have nothing to mortgage, no equities left to bring the money out of the banks, what good does it do to have the money pile up in the banks? I said it before on the floor of this House—dormant, dead money in the banks is not money any more than a dead horse is a horse. We sell bonds to the big bankers and they sell the bonds out in the rural districts of the Nation and absorb the money out of circulation. We have depleted the people of their purchasing power and their equity. The banks want to lend money and they are anxious to lend money, but 85 percent of the people have no equities any more. The situation is so precarious that the banks let the money lie idle.

Mr. MURDOCK of Utah. Mr. Speaker, will the gentleman yield?

Mr. BINDERUP. I yield to the gentleman from Utah.

Mr. MURDOCK of Utah. May I ask this, in connection with the gentleman's picture: The gentleman has left me rather up in the air. The gentleman has stated what Mr. Harding said at the meeting. I am very much interested, and I believe the other Members are also interested in what specific action was taken by the Board as a result of this meeting.

Mr. BINDERUP. The action that was taken by the Board was to notify all of the 12 Federal Reserve banks to restrict credit, to draw in the money supply, and to do it by raising the rediscount rate to the 30,000 banks that we had in the United States at that time. A very descriptive history of this meeting and the names of the bankers taking part will be found in the booklet I am sending you with extra sheets for insertion, Uncle Sam's Hospital Chart.

Every depression this Nation ever had was caused by the banker control over our money system, creating booms and selling and then creating depressions and buying. We had what is recorded in history as Black Friday, when the Nation stood perfectly still in a business way, because the gold which was half of our money had been cornered by the banks; this depression was only cured when President Grant released all the gold from the Treasury. The story of this depression is more startling than the story I have told you, but I took the depression of 1920 as an illustration because we lived through and experienced the 1920 depression and know just exactly what it was. We breathed the same air during these years and know of the catastrophe and havoc that were wrought over the Nation. But the other depressions were equally severe.

Mr. MASSINGALE. Mr. Speaker, will the gentleman yield?

Mr. BINDERUP. I yield to the gentleman from Oklahoma.

Mr. MASSINGALE. The gentleman made the statement a moment ago that the Federal Reserve bank might issue an order loosening credit and making it easier to get money, but in view of the impoverished condition of the people they probably could not avail themselves of that opportunity. What feature is there in the gentleman's bill, if any, that will force this money out if the people cannot make bankable payments?

Mr. BINDERUP. That is the important part of my bill. That is the interesting part, where we force our necessary money into circulation. No; not through the banks as we have been trying to do for years, but which has so utterly failed, but through the lower-income group, through old-age pensions, and absorbing Uncle Sam's debts, paying for bonds in Government credit exactly as the bonds were bought. We must do it with our friends, the people—$8,000,000 or more daily in additional new money based on the credit of the Nation, the richest Nation in the world. Place this new money—credit in our 12 Federal Reserve banks—and check on it.

More than that, we are releasing that credit at the top by creating equities at the bottom. We are bringing employment and money together in order to create prosperity. We are putting $8,000,000 a day into circulation through the laws we have passed in this Congress ourselves, such as the Social Security Act—not all of the Social Security Act but the old-age part of it. We are also putting money into circulation through the rehabilitation bill, known as the Bankhead-Jones bill.

[Here the gavel fell.]

Mr. FLETCHER. Mr. Speaker, the gentleman's address is so informative I ask unanimous consent that he may be permitted to proceed for 10 additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. BINDERUP. I yield to the gentleman from Pennsylvania.

Mr. RICH. As long as we have the human element to consider in the officials of the Federal Reserve, what has the gentleman in his bill that will cause them to function as the Congress desires they should function?

Mr. BINDERUP. That is very fine. There is just one thing, and that is what Mr. Goldenweiser said, that the Federal Reserve Board was given a lot of obligations and told a lot of things to do, but it never has had any mandatory law wherewith to do it. I am in favor of leaving the Federal Reserve Board just as it is. I do not want to discharge its members and put in a lot of new ones. They are perfectly all right. Give them a mandatory law telling just exactly what they have to do and leave them just where they are, and they will function perfectly. Give them

mandatory instructions that they must maintain the 1926 price level by keeping enough new money in circulation; and if they fail, make the law with teeth in it. Fire them and put in men that will.

Mr. CANNON of Missouri. Mr. Chairman, will the gentleman yield?

Mr. BINDERUP. Yes; I yield to the gentleman from Missouri [Mr. CANNON].

Mr. CANNON of Missouri. What is the relation between the amount of money and the rapidity of the turn-over?

Mr. BINDERUP. I can give the gentleman that information best by an example. In 1929 the clearing houses of the United States showed that $1,230,000,000,000 had circulated through the clearing houses for that year. Last year they showed a little better than $600,000,000,000, which is less than half of what it was in 1929. As soon as you make a safe monetary system you will bring security, and security brings speed or velocity to our money. The people generally are not afraid of commodities going up and down, but we are afraid of the dollar going up and down, and whenever you get a safe dollar, you will find that dollar will revolve, because it is not doing anybody any good when it is lying still. The natural tendency of money is to circulate, but when the dollars are lying still and thereby creating a scarcity and as a consequence of scarcity prices fall, it is a better investment to let your money lay still.

This Congress must not adjourn until we have fulfilled our pledge to the people and passed monetary legislation giving to the people their constitutional right to coin their own money. [Applause.]

The SPEAKER. The time of the gentleman from Nebraska has again expired.

ADJOURNMENT OVER

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. O'TOOLE, for the balance of the week, on account of illness.

To Mr. HOOK, for 10 days, on account of important business.

EXTENSION OF REMARKS

Mr. BOEHNE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a statement by Mr. F. W. Nichol, vice president of the International Business Machines Corporation.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HILL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an article from Common Sense with reference to a bill I am introducing today.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. EATON. Mr. Speaker, I ask unanimous consent to extend my remarks by inserting therein a brief statement from a constituent.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

ESTABLISHMENT OF A JOINT COMMITTEE ON FORESTRY

Mr. O'CONNOR of New York, from the Committee on Rules, submitted the following resolution, which was referred to the House Calendar and ordered printed:

HOUSE RESOLUTION 518

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. Con. Res. 54, a resolution to establish a Joint Committee on Forestry, and all points of order against said resolution are hereby waived. That after general debate, which shall be confined to the resolution and continue not to exceed 10 minutes, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Rules, the resolution shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the resolution for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the resolution and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

EXTENSION OF REMARKS

Mr. CRAWFORD. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. WHITE] may be permitted to extend his remarks by having inserted a newspaper article which is based on an extension he had in the RECORD concerning the public debt.

The SPEAKER pro tempore. Without objection it is so ordered.

There was no objection.

ENROLLED BILL SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 1591. An act to require the registration of certain persons employed by agencies to disseminate propaganda in the United States and for other purposes.

ADJOURNMENT

Mr. COOPER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 28 minutes p. m.) the House, pursuant to its previous order, adjourned until Monday, June 6, 1938, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of a subcommittee of the Committee on Interstate and Foreign Commerce at 10 a. m. Saturday, June 4, 1938. Business to be considered: Continuation of hearing on H. R. 4358, train dispatchers.

There will be a subcommittee meeting of the Committee on Interstate and Foreign Commerce at 10 a. m. Monday, June 6, 1938. Business to be considered: Continuation of hearing on H. R. 10348, foreign radio-telegraph communication.

COMMITTEE ON IMMIGRATION AND NATURALIZATION

There will be a meeting of the Committee on Immigration and Naturalization at 10:30 a. m. Wednesday, June 8, 1938, in room 445, House Office Building, for the consideration of unfinished business before the committee.

EXECUTIVE COMMUNICATIONS, ETC.

1417. Under clause 2 of rule XXIV a letter from the Assistant Secretary of Commerce, transmitting the draft of a proposed bill to give effect to the international agreement between the United States and certain other countries for the regulation of whaling, signed at London, June 8, 1937, was taken from the Speaker's table and referred to the Committee on Foreign Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. THOMPSON of Illinois: Committee on Ways and Means. House Joint Resolution 683. Joint Resolution to provide for an additional tax on whisky; with amendment (Rept. No. 2578). Referred to the Committee of the Whole House on the state of the Union.

Mr. RAMSAY: Committee on the Judiciary. S. 2403. An act to prohibit the transportation of certain persons in interstate or foreign commerce during labor controversies, and for other purposes; with amendment (Rept. No. 2579). Referred to the House Calendar.

Mr. CITRON: Committee on the Judiciary. H. R. 9981. A bill for the relief of the State of Connecticut; with amendment (Rept. No. 2580). Referred to the Committee of the Whole House on the state of the Union.

Mr. CHANDLER: Committee on the Judiciary. S. 3469. An act to amend section 128 of the Judicial Code, as amended; with amendment (Rept. No. 2581). Referred to the Committee of the Whole House on the state of the Union.

Mr. SWEENEY: Committee on the Post Office and Post Roads. H. R. 10051. A bill to provide travel allowance to railway-mail clerks assigned to road duty; with amendment (Rept. No. 2584). Referred to the Committee of the Whole House on the State of the Union.

Mr. O'CONNOR of New York: Committee on Rules. House Concurrent Resolution 54. A concurrent resolution to establish a Joint Committee on Forestry; with amendment (Rept. No. 2586). Referred to the Committee of the Whole House on the state of the Union.

Mr. O'CONNOR of New York: Committee on Rules. House Resolution 518. Resolution providing for the consideration of House Concurrent Resolution 54; without amendment (Rept. No. 2587). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. O'MALLEY: Committee on War Claims. H. R. 2231. A bill for the relief of Charles E. Black; with amendment (Rept. No. 2585). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 3561. An act for the relief of certain individuals in connection with the construction, operation, and maintenance of the Fort Hall Indian irrigation project, Idaho; without amendment (Rept. No. 2588). Referred to the Committee of the Whole House.

Mr. RAMSPECK: Committee on Claims. H. R. 3761. A bill for the relief of Dudley E. Essary; with amendment (Rept. No. 2589). Referred to the Committee of the Whole House.

Mr. ROCKEFELLER: Committee on Claims. H. R. 4996. A bill for the relief of Sue VanRyn; with amendment (Rept. No. 2590). Referred to the Committee of the Whole House.

Mr. RAMSPECK: Committee on Claims. H. R. 6458. A bill for the relief of Jack Nelson; with amendment (Rept. No. 2591). Referred to the Committee of the Whole House.

Mr. COFFEE of Washington: Committee on Claims. H. R. 9569. A bill for the relief of Charles P. McCarthy and the Paul Revere Fire Insurance Co.; with amendment (Rept. No. 2592). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 10043. A bill for the relief of certain carpenters whose tools were destroyed by fire while stored in a Works Progress Administration warehouse in Jersey City, N. J.; with amendment (Rept. No. 2593). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 3046. An act for the relief of Richard D. Krenik; without amendment (Rept. No. 2594). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 3142. An act for the relief of Lt. Comdr. Robert R. Blaisdell and Lt. Edward W. Hawkes (retired), Supply Corps, United States Navy; without amendment (Rept. No. 2595). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 3446. An act for the relief of Richard K. Gould; without amendment (Rept. No. 2596). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 3534. An act for the relief of Christ Rieber; without amendment (Rept. No. 2597). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. McCORMACK: A bill (H. R. 10824) relating to the retroactive application of any Federal tax on the income of employees of the States and their subdivisions; to the Committee on Ways and Means.

By Mr. HAVENNER: A bill (H. R. 10825) providing for the refund of certain taxes paid by State and municipal officers and employees; to the Committee on Ways and Means.

By Mr. DIMOND: A bill (H. R. 10826) for the protection of the water supply of the city of Ketchikan, Alaska; to the Committee on the Territories.

By Mr. MEAD: A bill (H. R. 10827) providing for the place of prosecution for the offense of depositing or causing to be deposited in the mails certain matter declared by law to be unmailable; to the Committee on the Post Office and Post Roads.

By Mrs. NORTON: A bill (H. R. 10828) to require reports to the Department of Labor by contractors and subcontractors on public buildings and public works concerning employment, wages, and value of materials, and for other purposes; to the Committee on Labor.

By Mr. DORSEY: A bill (H. R. 10829) to make further provision for the abatement and refund of Federal taxes on insolvent banks, and for other purposes; to the Committee on Ways and Means.

By Mr. HILL: A bill (H. R. 10830) to prohibit further trading in commodities through the mails or by any means or instruments of interstate commerce; to the Committee on Interstate and Foreign Commerce.

By Mr. JONES: Joint resolution (H. J. Res. 705) to amend the Federal Crop Insurance Act; to the Committee on Agriculture.

By Mr. ROBSION of Kentucky: Joint resolution (H. J. Res. 706) proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. IZAC: A bill (H. R. 10831) to provide for the advancement on the retired list of the Navy of Clyde S. McDowell, a captain, United States Navy, retired; to the Committee on Naval Affairs.

By Mr. LUCAS: A bill (H. R. 10832) granting an increase of pension to Alice Rupert; to the Committee on Invalid Pensions.

By Mr. MOTT: A bill (H. R. 10833) for the relief of John H. Ballah; to the Committee on Military Affairs.

By Mr. MURDOCK of Arizona: A bill (H. R. 10834) for the relief of the San Francisco Mountain Scenic Boulevard Co.; to the Committee on Agriculture.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5299. By Mr. IZAC: Petition of the Workers' Alliance of San Diego, Calif., concerning their unanimous support of President Roosevelt's recovery program of $3,000,000,000 and the creation of three and a half million jobs to prevent widespread misery, suffering, and destitution; to the Committee on Ways and Means.

5300. By Mr. MERRITT: Resolution of the East New York Vocational High School, Brooklyn, N. Y., opposing all changes in the existing laws affecting the grants of Federal aid to the States for vocational education; to the Committee on Appropriations.